Daily Report

Latin America

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FBIS-LAT-91-022 *1 February 1991*

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Cuba

Raul Castro Closes Eastern Army Conference

FL3101190391 Havana Tele Rebelde Network in Spanish 1800 GMT 31 Jan 91

[Text] The 10th party conference of the Eastern Army held at the Holguin command has been attended by Army General Raul Castro Ruz, second secretary of the Communist Party of Cuba Central Committee and minister of the Revolutionary Armed Forces [FAR]. Once more, the conference allowed us to confirm the high level of political training our combatants have received.

The discussions included the most important areas of the military life. It was also shown that the delegates are aware of the current issues. The food program was one of the much debated subjects. An official said that last year his military unit was able to give up the allotment assigned for the supply of tubers and vegetables because it has a self-sufficiency farm. The FAR minister urged those present to follow this example.

The considerable saving of fuel and lubricants registered in the units because of the use of training techniques was especially noted. Young people and combatants from Holguin made emotional remarks to those attending the conference. Army General Raul Castro Ruz received a small-scale model of a steam-generated furnace created by a Revolutionary Navy unit at the initiative of their members. He was also given a relief picture by Holguin sculptor Enrique Avila which represents the people's strong ties with the FAR.

The conference was characterized by an open and sincere dialogue. The reporting was extensive. The justifications were replaced by a critical, self-critical, and renovating spirit.

The delegates elected the members of the party subcommission to the political section of the Eastern Army. In his closing remarks, the FAR minister said:

[Begin Raul Castro recording] We have to say that it was here, precisely in this army, where we began building the party over a quarter of a century ago. Our party has played a very positive role in our Armed Forces. We have defects; but I or we should not be the ones to say this. We are proud of our Armed Forces. Our education in our party has played a fundamental role on this. [applause] [end recording]

PCC Leader Says Congress Depends on Situation

PA3101212791 Mexico City NOTIMEX in Spanish 1953 GMT 28 Jan 91

[Text] Havana, 28 Jan (NOTIMEX)—The fourth congress of the Communist Party of Cuba [PCC] could be held during the first half of 1991, but the date will depend on world situation and its effects on Cuba, it was reported here today.

Jose Ramon Machado Ventura, a member of the PCC Politburo, said today that the possibility of holding the congress in the first half of this year, just as it was convened when the call was made in March 1990, "is being considered."

Interviewed by the newspaper GRANMA, Machado said that, nevertheless, "we should be alert to events that are worrisome and their repercussions for our national situation."

In the final stage of preparations for the congress, the leader commented that the most significant aspect of this stage is that it represented "a plebiscite in favor of socialism" in Cuba.

Machado admitted that criticism and differing views in the PCC's political leadership were expressed during the debates of the approximately 80,000 municipal and provincial meetings held. He said: "There were some who even took advantage of the situation to say things that had nothing to do with events; these things were not addressed."

However, he added that the remainder of the discussions for the preparation of the congress turned out to be a demonstration of support for "the party, the revolution, and Fidel."

According to Machado, the main debates had to do with labor and the efficiency of the state and government agencies. "These debates will require additional study and time."

He also said that the demands for changes in the structure and operation of the state and government "are being studied in the light of the current situation of the special peacetime measures" as determined by the economic crisis.

Because of this, some proposals "will have to wait until the minimum conditions have been met and there is greater stability," he added.

During the process, begun some 10 months ago, the main topics of discussion dealt with the special peacetime measures, Machado said.

Soviet Delegation Meets With Minister Gomez

FL3101223091 Havana Radio Reloj Network in Spanish 2042 GMT 31 Jan 91

[Text] During a meeting with Cuban Education Minister Luis Ignacio Gutierrez Gomez, Soviet legislators praised the progress achieved by the Cuban educational system, and expressed their desire to continue strengthening ties with Cuba.

The Supreme Soviet delegation, which arrived in Havana on 27 January in response to an invitation extended by the Cuban education minister, is headed by Deputy Nikolay Parvichev, chairman of the education and family affairs sub-commisssion. Parvichev thanked

him for the warm welcome and later he and Gomez exchanged views on issues dealing with the educational sector in their two countries.

Among other things, Gomez informed the Soviet delegation about the efforts that the Cuban Government is making to choose teachers from among the best students so as to obtain better professionals who have high moral and ethical values and who are truly inclined to this profession.

Further on Delegation Activities

FL0102035591 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 1 Feb 91

[Text] The Supreme Soviet delegation that has been visiting Cuba since 27 January held a meeting today with Education Minister Luis Ignacio Gomez.

Nikolay Patrichev, chief of the Supreme Soviet delegation and chairman of the education and family affairs sub-committee, has said that he is aware that all Cubans are enjoying the freedom sought by Marti. He added that when a few days ago he visited a technical-professional school and saw the students with happy and healthy faces, wearing clean uniforms, he felt envy for not being one of their teachers.

Members of the Soviet delegation are: Vasiliy Rosumovskiy, a Soviet deputy and vice president of the Academy of Pedagogical Sciences and (?V. Yarenko), dean of the Engineering Construction Institute.

Up to now, the Soviet delegation has toured the Havana University, the Zenith, children's play centers, and the Bio-Technology Institute.

The Cuban education minister and the Soviet pedagogues have agreed that it is necessary to seek solutions to common problems such as vocational and professional training, the ties between pedagogy and teaching practice, and the application of scientific research to the problems affecting each country.

The Soviet guests added that despite the crisis affecting the Soviet Union, there is no intention to interrupt any ties with Cuba. They also said they are convinced that the Soviet teaching sector must achieve a rapprochement and learn from our experiences.

Iran Signs Cooperation Agreement on Sugarcane

PA0102040791 Havana International Service in Spanish 0000 GMT 31 Jan 91

[Roberto Morejon commentary]

[Text] The Cuban experience after many decades of work with sugarcane has enabled this country to establish contacts with other countries to increase cooperation on the matter. Cuba and Iran are planning to develop ties in this field and to that effect they signed an agreement that forcsees cooperation in the development of sugar mills and industries for sugar cane derivatives.

The document also mentions cooperation in the establishment of research centers in agricultural and industrial fields and the implementation of projects, as well as the training of the personnel of the Iranian enterprise for the development of sugarcane. The agreement between agriculture officials of both countries means the (KTP2) Cuban sugar harvester will be used in Iran. This machine has yielded postive results in Cuba's plantations.

Transformations in Cuban agriculture to obtain greater yields from the sugarcane were reviewed with interest by an Iranian delegation that visited the country. In addition, the visitors requested information on Cuba's experience with sugarcane derivatives. Cuba is advancing at a sustained pace to expand the production of sugarcane derivatives, which will replace a large number of imported items.

Biotechnology and the industries for oil, food, light machinery, chemicals, and pharmaceutical products continue to be supplied from products related to sugarcane, which have previously been subject to complex technological processes that in the majority of cases have only been mastered by Cubans. Cuba's sugar agricultural industry produces some eight tons of this product, a significant group of derivatives, and almost eight tons of animal feed.

Cooperation with other states that have greater economic resources will help expand the scientific research framework for Cubans' scientists, and the results will be available to many people outside Cuba.

Inter-Caribbean Affairs

OECS Heads of Government Begin Meeting

FL0102002091 Bridgetown CANA in English 2146 GMT 31 Jan 91

[Peter Richards report]

[Text] Castries, St. Lucia, Jan 31, CANA—Heads of governments from the seven-nation Organisation of Eastern Caribbean States (OECS) began a two-day meeting here on Thursday, in the shadow of a war they fear will mean more economic troubles. The war in the Persian Gulf and its effects on the economies of the sub-region are expected to dominate the two-day meeting, which is being attended by all expect the heads of govenments of Antigua and Barbuda, and the British Virgin Islands.

In his address to the opening ceremony St. Lucia's Prime Minister John Compton said the Gulf crisis "will impact heavily upon us." "We must therefore trim our sails for the stormy seas that lie ahead. Through the rough economic environment of the eighties, the countries of the OECS were held up as a model of survival and

pogress. This was the result of our very close cooperation in economic affairs....," he added.

The OECS embraces St. Lucia, Dominica, Grenada, Antigua and Barbuda, St. Kitts and Nevis, St. Vincent, and Montserrat.

Dominica's Prime Minister Eugenia Charles, chairperson of the 18th meeting of the leaders, said that the issues before the group were serious and weighty one.

"...To do them justice we must all resolve to be very frank,...patient and wise," she said.

"I believe in being very frank."

The deputy chief minister of the British Virgin Islands, Ralph O'Neil, said delegates would have to be "brutally frank" in their deliberations. "We have to make sure that our commitment to the OECS goes further than mere words. We must not look at the OECS as a channel for a job for the boys.... We must have the political will to make the sacrifice to ensure that OECS continues as a vibrant organisation."

Compton said the oil price rise linked to the Gulf crisis will hurt oil importers and prove beneficial to Trinidad and Tobago, a petroleum producer. It will make Trinidad and Tobago "once again an attractive one for our exporters of manufactured goods," he said.

But he indicated that OECS could only benefit if Caribbean Community (Caricom) countries adhere to the decisions taken by Caricom leaders to remove all barriers to trade "and the products of the OECS have unrestricted access to the markets of the entire Caribbean Community." Caricom comprises 13 countries, including the OECS members.

Compton's remarks come against a decrease in OECS trade with the more developed countries of Caricom, while the sub-region imported more from the wider community. Figures released here show that for the first six months of 1990, trade between OECS and other Caricom states dropped by 19 percent. In 1989, the figure showed a 16 percent decline.

"This we must take action to correct and redress," Compton said.

The leaders are also expected to discuss the first session of a Regional Constituent Assembly (RCA) held in St. Vincent earlier this month. The RCA is advancing plans by Dominica, Grenada, St. Vincent and the Grenadines, and St. Lucia for a political union. Compton said that the RCA represented an attempt by Caribbean countries "to break out of the prison of history, which by insular mentality we have built for ourselves."

"This effort will continue until we will have succeeded in cutting a path through the jungle of fear and mistrust which have frustrated earlier efforts. We cannot allow the failures of the past to deter us, but rather to provide us with the experience which will guide our new endeavours," he added.

Grenada

Brizan Dismisses Idea of Seeking IMF Assistance

FL0102015091 Bridgetown CANA in English 2221 GMT 31 Jan 91

[Text] Castries, St. Lucia, Jan 30, CANA—Grenada's finance minister, George Brizan, has listed payment of arrears of debt as the island's major problem. Brizan, when he presented the budget last December, announced a 10 per cent levy on salaries to help Grenada pay debts.

"Our major problem is really addressing arrears of debt servicing... and the 1991 budget in fact has provided for that," he said here. Grenada's national debt has been estimated at more than 280 million dollars (one East Carib dollar = 37 U.S. cents).

Brizan said that given the government's decision to meet its arrears, there was every opportunity for the country to be "back on a sound footing." But he noted that St. George's would be seeking to improve its economic position by containing expenditure, introducing a more efficient tax collection and administrative machinery, and changing some taxes.

Brizan, here for a series of Organisation of Eastern Caribbean States (OECS) meetings, told the CARIBBEAN NEWS AGENCY that his country's new economic policies would have the effect of tightening overall expenditure.

"Grenada has economic challenges which the new administration is grappling with, and we are coming up with new programmes to deal with them," Brizan said.

Asked if approaching the IMF was part of the plan, Brizan replied: "This is not on the cards." He said Grenada had experienced a 5.2 percent rate of growth last year, due mainly to good performances in the tourism, construction, and manufacturing sectors.

Haiti

Aristide Urges People to Safeguard Democracy

FL0102010091 Port-au-Prince Radio Soleil Network in Creole 1200 GMT 31 Jan 91

[Excerpts] President-elect Jean-Bertrand Aristide returned to the country last night at about 1800. Father Jean-Bertrand Aristide paid a two-day visit to France in response to an invitation extended by French President Francois Mitterrand.

Upon his arrival at the airport the president-elect extended his greetings to the Haitian Army and to all Haitians who are vigilant and paving the way for the

presidential inauguration on 7 February. He also expressed his gratitude to the French Government for a warm welcome.

Father Aristide added that he will continue to be on good terms with the Army and that the inauguration will be held as planned next week.

Speaking to those who spread rumors which resulted in disruptions and the death of about 20 people on 26 and 27 January, Aristide said:

[Begin Aristide recording] Those of you who were tidying up, and who were safeguarding democracy, should continue to do so. All Haitians, who know how to safeguard their property, should emulate your courage and safeguard democracy so it cannot be destroyed.

Hold on, and stand fast so that no evils or terrorists are ever able to carry out violent actions that may undermine the good image of Haitian democracy. A fruitful future lies ahead of us.

We have undertaken joint actions with the Army and we will continue to be united after the inauguration next week.

At this time I extend my greetings to those people in the mountains, and in the provinces; to those people who go hungry because they have no food; to those who live in Port-au-Prince and the other eight departments who are jobless because there are no jobs.

I and the members of my entourage would like to inform you that we are happy because there are many people who are willing to help us, particularly France. [passage omitted] [end recording]

Father Aristide was warmly welcomed in Martinique where he made a two-hour stopover at the Manetin Airport. President-elect Aristide was welcomed at the airport by about three hundred Haitians who reside in Martinique.

Asked about the illegal immigration of Haitians to Martinique, Aristide said that he had discussed this issue with French officials.

Among those Martinique authorities present at the airport to welcome Father Aristide were the prefect of Martinique and four deputies among whom was Aime Cesaire, and the deputy and the mayor of Fort-de-France who later held a meeting with the president-elect.

Cesaire mainly stressed Father Aristide's charisma and the latter's conviction that things will change. Poet Cesaire added that Father Aristide is giving himself wholeheartedly to political activities, that he is fully aware of the dramatic situation his country is experiencing. Cesaire also said that he is convinced he brings hope to the Haitian people.

Comments on Duvalier, Cuba

FL3101233091 Port-au-Prince Radio Metropole in French 1700 GMT 30 Jan 91

[Text] President-elect Jean-Bertrand Aristide left Paris this morning. He is satisfied with his 48-hour trip to France. The president-elect felt especially satisfied with the reception from the French head of state, Francois Mitterrand. He also revealed that he intended to take the necessary legal steps to try to recuperate monies, estimated at $800 million, stolen by the former President Jean-Claude Duvalier, who took refuge in France in 1986. The former president sought residency status but the French Court of Appeal decided against the request, so he does not hold an official resident card. A thief must be punished, the president-elect asserted during a news conference and dinner with several journalists. At the same time, he advised that no decision has been taken regarding an eventual request for Jean-Claude Duvalier's extradition.

The president-elect also indicated that Haiti would consider establishing diplomatic relations with Cuba and he expressed his admiration for Fidel Castro, calling him a courageous man who gave food to his people and reduced illiteracy. The president-elect did not exclude a visit to Cuba during his five-year mandate.

Jean-Bertrand Aristide pointed out, however, that relations with the United States, Haiti's main sponsor, were at present very good. Questioned about his past denunciations of American imperialism, the president-elect replied to AFP: A prophet speaks on behalf of the masses, and a president on behalf of the entire population.

He also congratulated the attitude of the Haitian Army which kept its promises by allowing democratic elections.

On the subject of the Dominican Republic, the president-elect recommended a round table to examine the bilateral problems. A member of his delegation specified that Haiti and the Dominican Republic should aim for a privileged economic relationship but with no consideration given to a political unity of the two independent states. He pointed out the need to solve two acute problems: the condition of the Haitian sugarcane cutters who live in almost slavery and the fact that the Dominican Republic has served as a sanctuary for the Macoutes.

Jean-Bertrand Aristide finally indicated that he was ready to relinquish his priest status to insure his political ministry if the Vatican asks him and under the condition that the Haitian bishops publicly inform the people who elected him.

On 1 February, the day following his return, the president-elect will host a lunch for the new Parliament members at Christopher Hotel. During the lunch, President-elect Aristide will discuss his trip to Paris.

Panpra Calls For Unitarian Bloc in Parliament

FL3101212091 Port-au-Prince Radio Haiti-Inter in French 1200 GMT 30 Jan 91

[Statement issued by the national coordinating office of the National Progressive Revolutionary Party on 30 January; place not given]

[Excerpt] The elections of 16 December 1990 and 20 January 1991 have more than ever set the Haitian nation on an historic turn. History has finally germinated to the satisfaction of the people's demands outlined since 7 February 1986. Contrary to the presidential election results, however, the outcome of the legislative elections demonstrate that none of the electoral alliances or individual political parties have an absolute majority within the Parliament.

Considering the role granted the political parties in the functioning of the state, by the 1987 Constitution, on the one hand, and the atomization of these parties in their representation in Parliament on the other hand, there is great risk of political and governmental instability linked to the quarrels of the parties. This is unfortunately the case in most countries with parliamentary democracy. The nascent Haitian democracy has heavy challenges to meet requiring that all democrats place greater emphasis on those things which unite them than those that divide them.

To face the challenges to come on a triple plane: political, economical, and social justice, our country needs a stable government which has the constitutional duration for the implementation its major policies. That is possible only if this government can lean on a coherent, responsible, and competent majority in the Parliament. Therefore, Panpra is launching a patriotic call to all democrats and progressives to work beyond interests of parties or alliances for the formation of a wide and unitarian socialist democratic bloc within the National Assembly. Such an initiative will allow the country as well as the government to have stable and solid democratic institutions and will allow the Haitian people to advance their policy of change.

Signed: Duly Brutus, a member of the executive secretariat and deputy-elect of Limbe; Andre Brutus, organizational secretary, and Pierre V. Eddy Jeune, information secretary. [passage omitted]

Jamaica

Island Seeks IMF Assistance for Oil Payments

FL0102033591 Bridgetown CANA in English 2233 GMT 31 Jan 91

[Text] Kingston, Jamaica, Jan 31, CANA—Jamaica is seeking assistance from the International Monetary Fund for oil payments, deputy prime minister and finance minister, P.J. Patterson, has said. Patterson who was speaking at an awards function on Wednesday night reported that Jamaica was applying for compensatory financing for the shortfall for the year beginning October 1990.

He did not say how much money was being borrowed, but financial sources say that it is about U.S. 30 million dollars. The finance minister said he expects the money to be disbursed at the end of February when the December tranche under an IMF agreement will also be released. The IMF recently introduced the compensatory facility to assist countries which experienced difficulty because of the rise in world oil prices.

Patterson warned Jamaicans not be "hood-winked" into believing that the rise of oil prices can be treated with complacency as the money secured from the Fund was not a gift but a loan. This, he said, will reduce the country's ability to cover other import payments.

"Such assistance as will become available does not create a basis for relaxation to the demand management programme. The inflow when determined, will largely only reflect the reality of higher oil prices being paid by Jamaica," he explained.

Patterson said that a significant portion of what was borrowed under the facility will go towards the foreign exchange reserves. Earlier he repeated that Jamaica was on course to meet the December performance test set by the IMF—a precondition to continued aid from the Fund.

He also chided the private sector for what he said was its lack of understanding of what privatisation and liberalisation mean.

"It does not mean that each company is free to be protected from competition from everyone else nor does it mean an increased level of dependence on the government of the day for profits," he remarked.

The private sector, he said, must begin to understand that the rules of the game have changed and "we are in an exciting new area of competition."

El Salvador

Authorities Alert To Entry of Iraqi Terrorists

PA3101154991 San Salvador EL DIARIO DE HOY in Spanish 30 Jan 91 p 3

[Text] Immigration authorities are on alert for entry of Iraqi terrorists into El Salvador, Foreign Minister Manuel Pacas stated yesterday. He noted that the government was warned that many Iraqi terrorists have left their country to spread terror in different countries of the world, in view of the isolation of dictator Saddam Husayn. Pacas feels that these groups are seeking to draw attention—which is why he dismisses the possibility of attacks in this country—because there are more important objectives in other areas of the world.

He noted, however, that immigration posts are on alert to prevent the arrival of suspicious persons in El Salvador, although such people do not travel through regular means or use their true identities, but use false documents. Pacas made those comments yesterday morning, shortly after breakfast with the representatives of three newspapers in the Foreign Ministry's Honor Hall.

In addition, he said that the Foreign Ministry is in permanent contact with Salvadoran Ambassador to Israel Enrique Gutfreund to ascertain the situation for Salvadorans in that country. "Luckily, the Iraqi attacks on Israel have not harmed any members of the Salvadoran community," he stated. Moreover, he showed clips taken from Israeli newspapers highlighting the courage of Salvadorans and citing statements by Salvadorans studying on scholarship—English professor Martin Rivas, agronomist Jorge Solorzano, and economist Jose Martinez—who said that they wanted to stay and share the risks with the Israelis. Israel also hailed El Salvador's condemnation of the Iraqi attacks.

Pacas also said that on Thursday, 7 February, Salvadoran authorities will inaugurate the electrical system on Meanguera Island, Gulf of Fonseca.

FMLN Confirms Intention To Return Missiles

PA3101201791 (Clandestine) Radio Farabundo Marti in Spanish to El Salvador 0000 GMT 31 Jan 91

[Text] Attention, we have a last minute report. We stated in our newscast that the Farabundo Marti National Liberation Front [FMLN] has promised to return to the Nicaraguan Government the SAM missiles purchased from Sandinist officers. In connection with this news item—the return of these missiles by the FMLN to the Sandinist People's Army [EPS]—our sources have confirmed that this return will indeed take place. We are expecting an official communique from our leadership within the next few hours. We therefore ask that you pay attention to Radio Farabundo Marti broadcasts.

We Salvadorans began our struggle for liberation with just a few weapons, but we have built, with patience and discipline, a true national Army that is aware of its revolutionary commitment.

We Salvadorans have the right to acquire and use at the right moment all the weapons that will help the people achieve their aspirations for justice and social changes.

We will continue to shoot at the dictatorship's airplanes and helicopters using machine guns, rifles, and missiles, thus, exercising our legitimate right to defend ourselves.

The National Army for Democracy will keep to its commitment of pushing for a negotiated solution, and together with the people, we shall overcome!

Military Significance of U.S. Aid Downplayed

PA0102024291 (Clandestine) Radio Farabundo Marti in Spanish to El Salvador 0200 GMT 30 Jan

[Unattributed station commentary, "War Birds and Not Peace Doves"]

[Text] The delivery of a flotilla of U.S. planes and helicopters to the government's armed forces could be a serious act, and even a symbol of the renewed U.S. support for the genocidal caste that represses Salvadorans. It is, however, a completely ineffective military or political gesture.

A new fleet of warplanes does not resolve the operational stagnation of the infantry corps that seems to have reached the stage of exhaustion. Neither does it modify the moral decay of the Air Force pilots, who are still refusing to carry out combat missions. In the pasts two months, at least 40 Air Force pilots, have offered their services to a well-known Salvadoran commerical airline. Now the pilots do not fight against the FMLN [Farabundo Marti National Liberation Front] but among themselves. They are fighting to get jobs as commercial pilots that will take them far from the battlefields. Therefore, the high command is mistaken if it believes that these U.S. planes will impress and motivate their pilots with the idea of facing our antiaircraft fire.

The deplorable U.S. gesture extended this morning by William Walker is politically ill-advised. These are not peace doves, but warplanes that the United States is sending to Salvadoran skies. If the 50-percent cut in military aid was a limited effort toward peace, the renewal of the aid is a gesture of war. In no way does it contribute to reaching political agremeents, nor does it help to cure the cancer of the military dictatorhsip in El Salvador. It is a mistaken and ineffective political and military ploy.

Guatemala

Serrano Comments on 30 Jan Attack in Peten

PA3101170491 Guatemala City Teleonce Television in Spanish 0345 GMT 31 Jan 91

[News conference by President Jorge Serrano Elias with unidentified reporters in Guatemala City on 30 January—recorded]

[Text] [Serrano] I was in Peten on a working tour. As you know, this department has been very much neglected. I am concerned about the neglect of this department and the critical situation of large numbers of civilian population there. We visited Flores and Sayaxche, where we held a very satisfactory meeting with civilian residents. As I said in Peten, the love, appreciation, and enthusiasm of the people of Sayaxche, Flores, and Santa Elena contrasted sharply with the hot reception by the guerrillas, who received me with bullets. The incident took place while we were taking off from Subin on our way to Santa Elena. Naturally, the presidential helicopter was in front. Two other helicopters, which were flying slightly behind, escorted us. Near La Libertad refinery, almost at the end of the landing strip, we began to hear the impact of bullets on the fuselage, which now has perhaps 10 to 15 holes. Some of the bullets are still embedded in the fuselage. One of the bullets damaged the transmission. Thank God, we landed successfully in Santa Elena. That bullet could have left the helicopter without controls. Thank God, we lived to tell the story. No one was wounded. The closest bullets hit about 30 to 40 cm away from me. No one was hurt.

[Reporter] What is the extent of the damage to the aircraft?

[Serrano] I am not an expert, but we observed the impact of one bullet on one of the blades, which cannot be repaired and must be discarded, according to the technicians. The damage to the fuselage can only be assessed after the affected portions are disassembled. The middle portion, where the helicopter transmission is located and which was damaged, was removed. A similar section was taken from a helicopter in Guatemala City and sent to Peten, where it was fitted onto the damaged aircraft so that it could be flown back to Guatemala City.

[Reporter] Mr. President, how did you react?

[Serrano] Who, me? I remained calm. I believe no one dies before his appointed time. The defense minister, who accompanied me, was also calm. Colonel Ortega remained calm and reacted deftly. The pilots reacted properly and this enabled us to get out from the area of danger quickly.

[Reporter] What can be done to avert attacks on helicopters of the Guatemalan Air Force in this area?

[Serrano] Apparently, there have already been some clues. After the attack, we learned that the guerrillas had warned of trouble if I came to the area. We believe that our service to the country should override an excessive concern for safety. I am concerned about Peten, a large, forgotten Guatemalan territory. We are going to work with everything within our reach to meet the needs of this department. I was accompanied by the ministers for energy and mines and development, the private secretary of the Presidency, the presidential official for environmental matters, and two agricultural experts. All of us are well motivated to work. This was just an incident. Thank God, there was no loss of life.

[Reporter] What happened to security in the areas where you intended to land?

[Serrano] The Army protected our landing at Sayaxche and Subin. Two Pilatus aircraft flew alongside us and opened fired to protect us during takeoff.

[Reporter] Mr. President, will this incident affect the dialogue with the URNG [Guatemalan National Revolutionary Unity]?

[Serrano] Not at all. I am a man guided by clear-cut principles. I want peace for my country. I am going to do everything I can to attain peace. The only loss in this incident has been that of 300,000 quetzales of the Guatemalan people's money, because we will have to repair the helicopter. Apart from this, however, there are no dead or wounded. We will move ahead. I expect to work even harder to attain peace in Guatemala. Many people have suffered in this country. It is time for us to put a stop to it.

[Reporter] Does this situation harden to some extent the Army's stand with regard to the dialogue?

[Serrano] No, I believe I was the target of the attack. The Army undergoes pressures of this type every day. The only difference is that this particular attack was against the President of the Republic. We have said, however, that we will continue to talk and seek peace through political and peaceful means.

[Reporter] Mr. President, in your opinion, what was the purpose of this attack?

[Serrano] You must ask the guerrillas why they perpetrated this attack. I will say that if the helicopter controls had become stuck as a result of gunfire—as the pilot explained—we would have fallen uncontrollably, and there may have been fatalities. No one dies, however, until his number is up and, thank God, the shots hit the control stick, but did not break it. This allowed the pilot to maneuver the helicopter. It was not until we landed that he became aware of the extent of damage.

[Reporter] When do you say your prayers?

[Serrano] My prayers? In the morning before leaving the house. [Serrano laughs]. I always thank God because he always takes care of me. Sincerely, however, I must tell you that miracles happen and today was one of those days.

[Reporter] Mr. President, did you at any point fear that you would die?

[Serrano] No. In fact, I felt very confident. I must repeat that no one dies until his number is up. I still have a great many things to do for my country and I hope to be able to finish doing them. No, death never crossed my mind.

[Reporter] Mr. President, do you believe this attack will somehow (?hinder) the process toward dialogue with the URNG [Guatemalan National Revolutionary Unity]?

[Serrano] I have said that as far as I am concerned, if we could sign a peace agreement tomorrow, we would sign it. That has nothing to do with this attack. This attack will not pressure me into making a greater effort to achieve peace or vice versa. I have set the guidelines for the establishment of peace in the country—total peace, peace with justice, peace within the framework of legality. Whenever the guerrillas are prepared to accept these guidelines, we will seek the path of peace.

[Reporter] Have you made any efforts to promote rapprochement?

[Serrano] The guerrillas are well aware of my position. They have stated, in a somewhat informal manner, that they wish to achieve peace. I hope that there will be displays of goodwill and that we will seek and find peace.

[Reporter] When will the first meeting between the government and guerrillas be held?

[Serrano] I have not set a deadline. The meeting will take place when things are clear and we are prepared. I will not place state institutions at risk; we simply want everything to be done within the framework of legality.

[Reporter] Sir, how can we believe that there is good faith on the part of the subversives when they perpetrate this type of actions? Or could this be an isolated action by a dissident group? What is your interpretation?

[Serrano] The attack was perpetrated at approximately 1300. In other words, it took place five hours ago. It would be very difficult at this time to make this sort of political speculation. I will wait to see the reaction of the guerrillas. Perhaps they may want to explain why they carried out the attack.

[Reporter] Did you respond to the attack, Mr. President?

[Serrano] No, there was no response. We left the area as quickly as possible, and then Air Force Pilatus aircraft opened fire on the area. Two Pilatus aircraft covered my withdrawal.

[Reporter] [Question indistinct]?

[Serrano] It lasted perhaps two or three minutes. Long enough. We heard the impact of the shots under the helicopter and bursts of shots. It seems as if there was rifle fire and approximately two bursts of machine gun fire.

[Reporter] [Question indistinct]?

[Serrano] I do not know because as we approached Santa Elena the Pilatus aircraft were already returning from the operation.

[Reporter] Do you know if the guerrillas suffered any casualties?

[Serrano] I do not know. Contact was not established with the infantry until approximately an hour and a half ago.

[Reporter] After examining [words indistinct] did they state what caliber ammunition was used?

[Serrano] They used 7.62 mm ammunition. We even brought along part of the shot that damaged the helicopter transmission. I do not know what they use to fire these bullets.

[Unidentified speaker] An M-60 machine gun.

[Serrano] An M-60 machine gun.

Nicaragua

Humberto Ortega Said To Favor Salvadoran Rebels

PA3101202391 Managua Radio Catolica in Spanish 1130 GMT 31 Jan 91

[Text] Once again General Humberto Ortega has shown that his policy differs from that of the government he supposedly serves. He wants to leave Soviet missiles in the hands of the Salvadoran rebels arguing that the U.S. Government is supplying weapons to the Salvadoran Government.

Carrion Comments on FSLN Congress Preparations

PA0102025991 Managua Sistema Nacional de Television Network in Spanish 0330 GMT 30 Jan 91

[From the independent "Extravision" newscast, directed by Manuel Espinoza, former information minister under the Ortega administration; italicized passages are recorded]

[Text] The preparatory stage of the Sandinist Congress began today. Four basic documents will be discussed in departmental congresses. The Sandinist National Liberation Front [FSLN] publicly announced the beginning of the preparatory stage of the first FSLN congress, which will begin on 19 July and last 3 days. Commander Luis Carrion and other members of the preparatory committee said that during the coming months four basic documents will be drafted and discussed in departmental congresses. These documents are the report on the 10 years of Sandinist Government, a declaration of principles, the new party platform, and the statutes. Carrion said that all the necessary conditions will be created to permit the Sandinist rank and file to participate during these months.

[Carrion] *We will create the best possible conditions so that everyone will be able to participate in the discussion.*

In the final analysis, the responsibility for participating rests more or less with the individual. We will try to create the necessary conditions as soon as possible so that everyone can participate.

The president of the organizing committee rejected the idea of excluding any Sandinist from the debate.

[Carrion] *There must be an opening with a view to the discussion, rather than thoughts about excluding anyone from the discussion. What we seek is to open the debates, and the debates of the Sandinists should be the essence of the strength, unity, and consolidation of Sandinism, which must be ratified by the congress in July.*

The Sandinist leadership will be elected, without any doubt, Commander Carrion concluded.

[Carrion] *The political leadership of the FSLN will be elected in the congress, as I said earlier, without any kind of restrictions, other than those established in the statutes approved by the congress. In this sense, the congress is sovereign in making decisions.*

Panama

Electoral Tribunal Announces Election Winners

PA0102021991 Panama City CRITICA LIBRE in Spanish 31 Jan 91 pp 31, 48

[Arnulfo Mendoza report]

[Text] After concluding the official vote count for the recent "partial elections" held over the past weekend, the Electoral Tribunal has officially declared the following as winners: Mario Boyd Galindo of Circuit 2-2 (MOLIRENA) [Nationalist Liberal Republican Movement]; Enacio Robinson of Circuit 1-2 (PRD) [Democratic Revolutionary Party]; Abelardo Antonio Quijano of Circuit 3-2 (PRD); Ernesto Giron of Circuit 4-4 (PDC) [Christian Democratic Party]; Edilberto Culiolis of Circuit 5-1 (PRD); Anel Ramirez of Circuit 5-2 (PALA) [Labor Party]; Melquiades Riega of Circuit 8-3 (Liberal Party); Alcibiades Garcia of Circuit 9-3 (PDC); and Olmenares Quijano of Circuit 10-2 (MOLIRENA).

During a news conference at the Room of Accords of the Electoral Tribunal, its President Guillermo Marquez Amado said that the results in all electoral circuits, where 159 town councillors of 160 corregimientos were elected, are now available except for the vote tally sheets from Pucuro, which is a very remote area in Darien Province.

Opposition parties won five of nine legislative seats and government parties won four. As for town council seats, government candidates won five and the opposition five.

The results of the elections have been contested in seven electoral areas; one in a circuit and six in the corregimientos of: Santa Rosa (Colon), Ciril de los Sotos (Panama), Hurtado (Panama- Chorrera), Herrera (Chorrera District), Isla Grande (Colon Province), and Arosemena Corregimiento (Chorrera District).

In his report the tribunal president said that PDC candidate Olemdo Gracia also filed an appeal for annulment against the proclamation of PALA candidate Anel Ramirez.

The Electoral Tribunal announced that there was a tie between COLINA [National Liberation Coalition] candidates Victor Montes Castillo of the PRD and Mario Moreno Rodriguez of PALA in the corregimiento representative election in Hato Pilon, San Felix, Chiriqui Province.

An appeal for annulment of the election in Circuit 5-2 has already been received and this case will be examined, should violations be detected, the appeal will be transferred to the Official Tally Board.

Linares Wants Courts To Decide Asylum Conflict

PA0102023791 Panama City LA PRENSA in Spanish 31 Jan 91 p 1

[Manuel Alvarez Cedeno report]

[Text] Foreign Minister Julio Linares has said that it is evident and noteworthy that the countries that have granted asylum to followers of deposed dictator General Manuel Noriega reject the notion that a solution to the conflict be set by the International Court of Justice or by the Permannent Court of Arbitration.

Linares was interviewed yesterday as he was leaving the Presidential Palace. He commented on the followers of Noriega who, were granted asylum by the Cuban, Mexican, Ecuadorean and Peruvian Embassies after the U.S. invasion. The [Noriega] followers are accused of commiting common and not political crimes.

Linares said that Panama, from the very beginning, has suggested that the problem be solved by the International Court of Justice, or by the Permanent Court of Arbitration. He said, however, that it is "evident and noteworthy" that the countries that have granted asylum to these people have rejected the two formulas.

The Foreign Ministers of the Rio Group met on 28 January in Caracas. They claim that Panama must solve the problem of persons seeking asylum in accordance with the provisions of the Caracas Convention on the right of asylum.

Linares said that the presence of Noriega's followers in the different embassies is a bone of contention that will emerge in a crisis sooner or later.

He said that the situation is even worse if we consider that the Group of Rio is taking sides with the nations that have granted asylum.

Officials Said To Harass Rio Group Citizens

PA0102034191 Panama City EL PERIODICO in Spanish 30 Jan 91 p 13

[Text] Citizens of Mexico, Peru, and Ecuador, member-countries of the Group of Rio, were harassed during the past weekend as they were about to leave the country. One of these people told EL PERIODICO that some fellow citizens had been held at the airport for two days and had been classified as "deported persons."

They all had their documents in order, and some have been married to Panamanian citizens for more than five years, but this was not enough for immigration officials, who were following orders and did not observe the rules of hospitality that have always been observed by this country. An airport employee—whose name is not given for obvious reasons—told EL PERIODICO that the sole explanation for this action "seems to be reprisal for citizens from the Group of Rio, and it was intended to teach their governments a lesson."

Digedecom: 45 Percent Living in Poverty Areas

PA0102041191 Panama City CRITICA LIBRE in Spanish 30 Jan 91 p 20

[Text] Social research in the areas of extreme poverty and the promotion of projects as well as programs to improve living conditions in these communities were among the principal activities conducted by the Digedecom [General Directorate for Community Development] during 1990, Government and Justice Minister Ricardo Arias Calderon has said during a news conference.

Between 40 and 45 percent of the Panamanian population lives in areas of extreme poverty, according to Arias Calderon. He said the Digedecom made an effort to teach people how to be more productive. More than 8,000 people, mostly women, benefitted from the 108 seminars that were conducted throughout the country during the year.

Employees from the Government and Justice Ministry participated in the construction of public works in various communities in the country; provided training in various productive activities, such as community and school vegetable gardens, the implementation of technology to dry fish, grains, and onions, and the preservation of meats without freezing. In the areas of physical and social health, work was done on controlling epidemics and eradicating insects that carry diseases, as well as in the areas of garbage collection and crime prevention.

Accompanying Arias Calderon during the news conference were Gabriel Cedeno, Digedecom technical director; Luis Aponte, San Miguelito Digedecom director; Ana de Mantovani, the secretary general of the Government and Justice Ministry; Manuel Salvatierra, provincial director; and Vasco del Mar Huertas, technical adviser.

Argentina

Favorable First Reactions to New Economic Team

PY2101234391 Buenos Aires BUENOS AIRES HERALD in English 31 Jan 91 p 5

["Industry Welcomes Cavallo"—BUENOS AIRES HERALD headline]

[Text] (NA-DYN)—The first reactions to the new economic team and its prospective approach were moderately favourable yesterday, so far as industry and mainstream politicians was concerned.

Agriculture, however, while welcoming the new value of the dollar, remained cautious.

Argentine Chamber of Exporters President Daniel Brunella believed that Economy Minister Cavallo's new policies would favour his sector since "they are based on a rise in the dollar and a simplification of the administration of taxes and duties on external trade."

The Association of Argentine Banks, which represents private national banks, lent its support to the further freeing of the market. "We back the continuation of the current economic direction, particularly its emphasis on liberalization of the market, and welcome the speed with which the national government has taken decisions to bring calm to the market," it declared yesterday.

The mechanism chosen by Cavallo on Tuesday to fix a floor of 8,000 australs and a ceiling of 10,000 australs for the dollar—the so-called "dirty float"—was praised by the Argentine Chamber of Commerce. "It quashes uncertainty and allows continuity in the supply of goods," it said.

Former Presidential Adviser Alvaro Alsogaray, however, was more cautious. "Inflation must be attacked with more drastic methods," he said. "The scheme (set out by Cavallo) is not enough on its own to solve the general problem. Measures need to be taken that will recreate confidence, and above all there must be no printing of money."

Similarly, Radical economist Ricardo Lopez Murphy put his emphasis on creating confidence through the budget. "If the government is able to guarantee an operating surplus of three of four billion australs," he said, "I think we'll see a drastic fall in inflation. On the other hand, if not, inflation will continue at the same levels as we've seen before."

Team Members Named

PY3101220291 Buenos Aires TELAM in Spanish 1751 GMT 31 Jan 91

[Text] Buenos Aires, 31 Jan (TELAM)—This afternoon Minister Domingo Cavallo announced the names of the economic team members who will work with him at the Finance Ministry.

The team is comprised of the following under secretaries: economy, Carlos Sanchez; institutional relations, Guillermo Seita; industry and trade, Juan Schiaretti; agriculture, livestock and fishery, Felipe Sola; fuels, Luis Prol; energy, Juan Legisa; transportation, Edmundo Soria; public works, William Otrera; finance, Saul Bouer; public income, Carlos Tacchi; and technical and administrative coordination, Hector Domeniconi.

Cavallo confirmed Jose Estenssoro as chairman of YPF [Government Oil Deposits] and Juan Jose Llach as head of his staff.

Cavallo also announced that Vittorio Orsi will be planning secretary and will be in charge of coordinating contacts among the Defense, Labor, Economy and Foreign Ministries. He said that Ricardo Cossio, General Directorate of Taxation director, will continue in his position if he agrees to do so.

'Cautiously Welcomed' by Agriculture

PY3101235791 Buenos Aires BUENOS AIRES HERALD in English 31 Jan 91 p 5

["Farmers Cautiously Positive"—BUENOS AIRES HERALD headline]

[Text] (NA)—The agricultural sector, which has probably been the most vociferous in denouncing the overvalued austral, has cautiously welcomed the new higher value of the dollar.

But representatives of the sector pointed out that the overall effect of the still nascent policies of new Economy Minister Domingo Cavallo will depend on the development of internal prices, fiscal policy and interest rates.

Argentine Rural Society Head Eduardo de Zavalia suggested that profitability in the sector could be "considerably better," as a result of the new exchange rate. But he added that if, as has been threatened, export taxes are put up farmers will "be worse off than they were before."

He also argued that what matters is the real value of the dollar, and that if domestic prices rise along with the U.S. currency the apparent improvement in the situation of the farming sector will prove to be "an illusion."

Coninagro [Agricultural-Livestock Intercooperative Confederation] President Leonido Gasoni agreed that everything will depend on "fiscal policy and the level of interest rates."

Meanwhile, Argentine Agricultural Federation (FAA) Head Humberto Volando added his voice to the chorus of farmers welcoming the new level of the dollar. But he also suggested that the FAA would demand compensation for those farmers who sold their produce at a less favourable exchange rate.

He claimed that exporters and certain mills should be forced to pay the indemnity, since it was they who benefited from the artificially low grains prices.

Menem Swears in New Ministers, Secretary

PY3101223691

[Editorial Report] Buenos Aires Argentina Televisora Color in Spanish at 2016 GMT on 31 January begins a radio-television hook up to cover the ceremony in which President Carlos Saul Menem swears in three new ministers and the new planning secretary. During the ceremony, which is held at the White Room of the Government House, Domingo Cavallo was installed as economy minister, Antonio Erman Gonzalez as defense minister, Guido Di Tella as foreign minister, and Vittorio Orsi as planning secretary.

At 2025 GMT, President Menem addresses those attending the ceremony and confirms the government program he started 18 months ago in an attempt to restore prosperity in Argentina. He says that by reassigning the three ministers to new positions he begins a new stage of this program that will now fight other aspects of the economic crisis. He points out that despite attacks on the adopted policies they will continue to be implemented. He says: "The same ministers, now heading other ministries, will continue to work so that the deadlines announced when I took the presidency can be met."

He then warns the people that "there will still be some difficulties," and asks all Argentines to unite to fight them. He praises the people's courage and political knowledge, thanks them for their confidence and says: "I ratify my most absolute and complete confidence in the men who have been accompanying me in this difficult task of improving Argentina, in this process of profound changes, in this real and peaceful revolution that is being implemented in the country."

Pointing out that he is not afraid of losing electoral support by implementing "painful but necessary measures," Menem wishes the new officials "the best of luck," and ends at 2035 GMT by gives the people his blessing.

Roque Fernandez Named Central Bank President

PY3101170391 Buenos Aires TELAM in Spanish 1645 GMT 31 Jan 91

[Text] Buenos Aires, 31 Jan (TELAM)—Economy Minister Domingo Cavallo has named Roque Fernandez as the new president of the Central Bank.

The official Economy Ministry announcement also adds that Felipe Murolo, who was named yesterday, will be the vice president.

Soviet Minister Signs Protocol With Province

PY3101152491 Buenos Aires TELAM in Spanish 1026 GMT 29 Jan 91

[Text] Mendoza, 29 Jan (TELAM)—Rodolfo Gabrielli, economy minister for this province, and Soviet Defense Industry Minister Boris M. Belousov have signed a protocol that will allow advances in the recovery of secondary oil wells in Mendoza Province.

The Soviet minister, who currently has the task of converting the war industry to peaceful purposes, has also expressed interest in the sale of tractors, the expansion of Mendoza's trolley bus service, the organization of joint enterprises, and the production of agro-industrial machinery with local technology.

The agreement, which was signed in the town of Cachueta in the Andean foothills 35 km west of this capital, establishes that a delegation will evaluate the installation of an antihail system to diagnose the problems that are occurring during the current agricultural period.

The signing of this protocol demonstrates the parties' interest in quickly beginning cooperation in the field of oil exploitation. The town of Cachueta was the center of Mendoza's first experiments in this area.

After signing the protocol, Belousov stressed that the agreement reflects the basic guidelines for scientific and technical cooperation in Mendoza. Gabrielli indicated that the document reflects the strong emphasis given during the past few years to relations between Mendoza and the Soviet Union.

Unknown Assailants Bomb Journalist's Home

PY3101232591 Buenos Aires BUENOS AIRES HERALD in English 31 Jan 91 p 11

[Text] Rosario (NA-DYN)—A powerful explosion caused serious damage to the house of lawyer and journalist Juan Carlos Vennera, 44. Nobody was hurt in the attack. Police spokesmen said yesterday that no-one had claimed responsibility for the 500g bomb, placed in a window-grill, which Vennera claims was "meant to kill me." Vennera, who writes for the newspaper LA CAPITAL and presents a local current affairs programme, has his suspicions but stated that he will only make allegations before a judge. The ADEPA [Argentine Association of Newspaper Owners] journalists union condemned the attack yesterday, exhorting the authorities to take "firm measures" in finding the culprits.

* Menem's Personality, Inner Circle Assessed

91SM0165A Buenos Aires SOMOS in Spanish 24 Dec 90 pp 4-9

[Hector Simeoni report]

[Text] A boisterous supper was winding up in the restaurant on La Costanera. There had been an incessant stream of jokes. The conversation had touched on every minor issue that occurred to the diners. After the second cup of coffee, Carlos Menem leaned over to the Mexican president. "How about continuing the conversation in Olivos?" Carlos Salinas de Gortari thought that the time had come for serious political talk. The group was back

at the presidential residence in ten minutes. The Argentine president invited his guest to make himself comfortable in the large living room on the first floor and-...turned on the television. The Mexican was barely able to conceal his astonishment. Finally, he resigned himself to watching a movie, at the end of which he was bid a warm farewell, and nothing else. "Salinas could not believe it. He stood there looking at him, nodding his head, but could not bring himself to make any comment," related a no less perplexed eyewitness to the scene.

The story could serve as an example of the peculiar "Menem style." He always plays the charmer during the first stage, in order to dispel reserves and gain trust. Then the element of surprise, the unusual, disorienting gesture comes into play. Menem overuses this approach and every time that he does, he sees how effective it is.

Few Words

The other key is his enormous capacity to consume, and process, information. Those who have ever dealt with him have seen that he speaks very little, only enough to keep the dialogue going. Normally, he even avoids giving his opinion on the major topics of a discussion, and he is even capable of changing the drift of a conversation if he finds that it would force him to reveal his thoughts.

The many visitors who came to his office on that stormy 3 December heard him say exactly the same thing in every instance. "It was as though it was a recording," says someone who was at most of those meetings. "He gave a brief introduction and then stated his determination not to negotiate and to crack down quickly. After that, it was as if he had written suspension points, because he began listening, grasping nuances. He did all of this without asking too many questions, as if he were trying to catch the visitor unawares on his weak points."

A Computer

As if these comments did not suffice to shatter the myth of the "communicative Menem" (he has even been branded a "chatterbox" or the less flattering "bigmouth'-'), there is additional evidence.

"He merely manipulates information, something that he has learned to do with the utmost skill," says one of the colleagues who is most accustomed to dealing with him. "At times I get the impression that I am looking at a machine that merely computes, that reduces whatever it is faced with to the binary system. When he is the one who puts out the information, he does so almost always to multiply it and to achieve the effect that he is seeking. The most common example is when someone important who is close to him falls into disgrace: He invariably repeats some negative remark in front of all his visitors, and it does not take long to reach the interested party, prompting a reaction. The business of his famous 'contradictions' is just a variation of this. When he 'tosses out' apparently contradictory opinions in public, he is merely launching trial balloons to see what reaction they bring. This is a complicated ritual of gestures and winks that is very hard to explain."

It is nothing new to assert that he makes his most important decisions in complete solitude. Very often he has taken his closest friends by surprise by announcing some sort of major turnaround when he awakes from a nap. As often as he can, as if he saw the alternative as some sort of catastrophe, he boasts of being impervious to counsel or influence. "No one twists my arm," is his favorite expression.

In any event, the temptation to do so is great, and so is the need, and this has created a noteworthy custom in his circle. Before anyone prepares to prevail upon the president to make a decision, alliances are formed so that the "suggestion" reaches his ears from several different directions. What is most noteworthy is that the members of such alliances tend to be the same people whom more or less well informed public opinion usually regards as irreconcilable enemies. But almost everyone acknowledges that the comments by people in his circle, such as Vicco, Brigadier Antonietti, Blas Medina, and others, are important and, at times, decisive.

The story is told that this was more or less the method that Eduardo Menem used, three days after the rebellion of the "painted faces," to suggest to his brother that he not gloat too much. Several people expressed this view and in various ways, so much so that the chief executive himself went so far as to state that he agreed with this judgment. That same night, as he often does, the president voiced his desire to dine at the "Fechoria" restaurant. Several of the impromptu advisers from just minutes before accompanied him. They were surprised indeed when a loud ovation greeted the small party. One enthusiastic patron (it was reportedly Sofovich) approached the group and in a thundering voice spoke of "the president's guts."

Menem merely smiled, glancing with some disdain at those who had argued the opposite view to him. Mercifully, he refrained from any comment, as he always does.

Dichotomy

How does a man who remains so aloof handle his personal relationships? He completely separates his circle of friends ("the wisecrack group," as they call it unambiguously in the Casa Rosada) from the circle that is involved in essentially political matters. "He may mix friendship with business but never with politics," those most in the know agree.

This does not mean that some politicians do not enjoy his affection and confidence. This status is reserved for very few individuals (for example, Eduardo Bauza and Alberto Kohan), almost all of whom have demonstrated unconditional friendship in the past ("in the bad times," in the Menem jargon).

Menem the politician is an extremely cautious being and proceeds accordingly. There is a second circle, however,

one as select as the first, made up of those who will never call themselves his friends but who enjoy the chief executive's intellectual respect (e.g., Javier Gonzalez Fraga, Raul Granillo Ocampo). These men are most certainly just as "untouchable" as the former but will never join the circle of "carousers." This could have its advantages, depending on the individual involved, because they too are immune to the chief executive's bad moods. He would never reprimand them in public, much less show them disrespect.

Point by Point

On the basis of supremely reliable testimony, let us now review some major facets of the "Menem style":

- "He is regarded as unpredictable but he is not. He bewilders even the people closest to him simply because he never consults anyone."
- "He almost never has doubts, and when he does, he has them in public. This means that it is all the same to him to do one thing or another, but beforehand he wants to know people's opinion."
- "He has two kinds of enemies whom he is never going to forgive. One is the people who were behind him once and abandoned him (hence his references to 'the other side'). He is less rational about putting people in the other group; these are the people whom he rejects because they rub him the wrong way (Cafiero, Alfonsin, Ubaldini). No matter what they do, and even for no reason, he is going to hold them in low regard."
- "He has frequent bouts of ill humor (he takes advantage of them to insult 'the carousers' or some minister in disgrace). Yet very seldom has he been seen in a depressed mood. I recall only three occasions. Two had to do with problems with his wife, and the third was when he seemed to have some lung ailment."
- "At the outset of his term he tried to apply on a larger scale the style of government that he practiced in La Rioja. It was based on all power emanating from him, as he appointed both the ministers and the janitors. His colleagues were forced to govern without their own teams. This 'Carlos himself appointed me' business caused confrontations all the time. He stood aside and then returned to mediate. Now he seems to have understood that a situation like this causes a lot of wear and tear and he has corrected [this policy]."

What is Carlos Menem's true, deeply held ideology? Nationalist, statist, classical liberal, pro-Montonero? One of his advisers says he has absolutely none: "He is a pure pragmatist, a political animal endowed with a very good nose for where power comes from. This is something that is very hard to explain. Your average politician is at most a vote-getter, doing good or bad things so that people will vote for him. Carlos can consciously give up immediate votes if he knows that he is exchanging them for power."

Another of his traits is the ease with which, as his colleagues say, he can "unplug the headphones." He can feign the most intense interest when he is actually paying no attention whatsoever to the person addressing him. Among those who know him best it has become a sort of sport to monitor Menem's attitudes during cabinet meetings (which he detests, moreover). His way of looking, or pretending that he is looking, is downright unmistakable, as is his skill in handling embarrassing situations when the person speaking suddenly demands a reply.

New Reading Material

Does he do naive, foolish things? "Most are prompted by his need to escape from politics. In spite of what one might assume, power delights him, but politics does not make him happy. One could say that he puts up with it. Hence, the sports, or the Ferrari. Perhaps immaturely, he is seeking some reward to compensate for the mortifications he thinks he is undergoing."

Isn't it somewhat naive of him to make rash announcements, such as the one about the closure of the Buenos Aires airport or when he claimed in September 1989 that there was going to be negative inflation? "In these cases he gives in to the politician's temptation to seek immediate applause, to have a guaranteed impact on public opinion. This is why he lets these things fly impulsively, as if he could not resist the desire, without thinking about the consequences."

Another characteristic that the people closest to him have detected is that he reads much more than at the outset. Before he became president, his contact with books was limited almost exclusively to rereadings; now, he surprises his circle with long comments on books that they recommended to him or lent him personally. Another change: in the beginning he used to deliver a major speech "by winging it"; now, when such an occasion arises, he tells his aide-de-camp not to let anyone bother him for one or two hours. It is as though he were more concerned about "ruminating" on what he is going to say.

This is, of course, the same man who spends at least two hours a day decking himself out, who is practically obsessive about his personal appearance. ("He uses the time in the bathroom to think," one die-hard supporter explained, and no one countered him).

The above fact is consistent with the almost vital need that he evinces to charm everyone all the time. This is why he is very sensitive to expressions of grassroots support or rejection. Just as he is capable of endangering his safety by approaching people to embrace or shake hands, whistling or jeering can exasperate him to an extreme.

A Desire to Get Away

In recent weeks he has gone a notch farther in his efforts to sidestep political issues with visitors ("I need them to entertain me, to talk about something else," he usually says in justifying his changing the subject to soccer or gossip). Only the head of the SIDE [Secretariat for State Intelligence], Hugo Anzorregui, or his brother Eduardo

manage to break through during morning walks through the Olivos gardens, but always thanks to questions that they themselves bring along.

Other ministers must resign themselves to addressing affairs of State in the presence of "the president's friends," who on occasion even go so far as to voice opinions on the decisions under consideration. All of this merely encourages conjecture and gives rise to veritable prediction contests.

The inference most in vogue now is the following: the president prefers the solitude of the Olivos estate; last week there were more silent moments than ever, and the social gatherings abounded almost to an extreme. Ergo: "The time for big decisions is drawing near." No one can say for sure. Menem himself provided the argument when he told one of his colleagues very suspiciously:

"Secrecy is the key to the success of any political operation."

This is why he almost never consults anyone about anything.

[Box, p 7]

The President's Image

Perhaps because they are unknown, a thousand stories are told about them. It is said that they are by the president's side at all times, that they work with U.S. consulting firms. They are Graciela Romer and Horacio Diez, the members of Carlos Menem's communications and image team. In agreeing to talk with SOMOS, they ended the isolation which they had maintained since the start of their work.

Graciela Romer, 41, one son, the director of the consulting firm that bears her name, took pains to clarify that "we are not officials. We work on the outside and independently. Perhaps for this reason, because we do not have a commitment, we can tell the president whatever comes to our mind."

Horacio Diez, 45, seven children, the president of Ogilvy and Mather in Argentina, adds: "We see Menem whenever we ask to or whenever he thinks we should. Our meetings are reflective in nature and can last up to two hours. We do not generate political events. We simply communicate them."

Both define their work as "a contract to adapt the message of the source (the administration) to the audience (the public)."

The fact is that neither Romer nor Diez concern themselves with Menem's sideburns, nor his reputation as a lady's man, nor his private life. Their concern stops with the chief of state's public image.

In this connection, one of their most recent pieces of advice for Menem and his ministers was to avoid gloating over certain individual events, such as the crushing of the "painted-faces" rebels or the sharp decline in inflation. In another vein, the team also worked hard (helped this time by Raul Fiscalini, a public-relations executive with the Astra oil company) to enhance the Argentine Government's image overseas.

[Box, p 8]

Grooming the President

One would have to go quite far back in Argentine history to find a president who pays as much attention to his personal appearance as Carlos Menem. For two hours a day he is aided in this task by a team of assistants who include a barber, a masseuse, a beauty consultant, a tailor, and a hair specialist.

Antonio Cuozzo, 42, arrives every morning at 0600 hours on the dot at the Olivos residence, ready to do the chief of state's hair, shave him, and perfume him with subdued fragrances ("Azzaro" is one of his favorites), while the president drinks his first cups of mate tea and listens to the radio news.

Menem has his hair arranged three or four times a day. He has very wavy hair and some bare spots that Tony (as the president calls him) prefers to describe as "baches" [holes]. He regularly dyes his graying areas jet black, which combines with the natural white to produce a bluish tint. Tony was personally responsible for shortening the presidential sideburns. He did so very gradually, so as to prevent his exclusive client from suffering.

His beauty consultant and makeup woman is Fanny Cuello, who until two years ago worked on Mirtha Legrand's face. "Since the president is always tense, I do my best to relax him," she relates, explaining the daily acupuncture treatment that she gives him. Also, every afternoon she is in charge of placing a moisturizing, nutritive pack on the president's face, which he endures without joking for almost 45 minutes.

His tailor is Jorge Mazzola, 63, the owner of the George firm and a close friend of newsman Bernardo Neustadt. He is said to have been responsible for replacing Menem's somewhat eccentric wardrobe when he was a candidate with the discreet attire that befits a statesman. He suggested that he restrict himself to gray and dark-blue suits and to appropriate combinations of ties and shoes.

"In two years he has made surprising changes; they were not easy, but he assimilated them well," says Mazzola, who went so far as to say that at the recent ceremony at which Emperor Hirohito was enthroned in Tokyo, Menem was the most elegant of the chiefs of state in attendance.

Mazzola, who also made clothes for other presidents, such as Generals Juan Carlos Ongania and Alejandro Lanusse, admits that the current chief executive is one of the "most likable" clients he has ever had. Tony, his barber, swears that "there is no one like him." Fanny

describes him as amiable, gentle, and kind. And the three are more than satisfied with the results they have achieved.

Bolivia

Antiguerrilla Commando To Combat Terrorist Acts

PY3101222191 La Paz PRESENCIA in Spanish 20 Jan 91 p 4

[Text] In view of the appearance in the city of Sucre of the Nestor Paz Zamora Committee-D 2 [Comision Nestor Paz Zamora-D 2—CNPZ-D 2] of the National Liberation Army [Ejercito de Liberacion Nacional—ELN] and its call for the Bolivian people to join the transformation movement supported by this organization, the so-called "General Joaquin Zenteno Anaya" Antiguerrilla National Commando [Comando Nacional Antiguerrillero "Gral. Joaquin Zenteno Anaya"—CJZA] yesterday instructed its national patrols to mobilize to counter the terrorist actions that could be carried out, especially in the capital of the Republic.

In one paragraph, the document that the National Liberation Army CNPZ-D 2 delivered to a radio station in Chuquisaca notes: "The time has come to respond to violence with violence and to recover what is ours in order to achieve true transformation and to improve the standard of living of our people who are increasingly suffering from hunger."

In its Communique No. 2, released through the post service, the CJZA antiguerrilla commando ordered its "Lieutenant Jorge Ayala" patrol, whose control and operational jurisdiction includes Sucre and Potosi, to continue its "preparations until the time of it is called to action" since it may have to go into action at any moment.

The communique points out that the antiguerrilla patrol will have to be prepared for immediate mobilization, to go into action at any moment like the other national patrols.

Communique No. 2 also indicates that the ELN letter tries to confuse public opinion by justifying its past vandalistic actions. It also accuses imperialism and its agents of driving the CJZA into the struggle.

The CJZA also expresses its surprise over the change of attitude adopted by detainee Acasigue. Although he is one of the perpetrators of the criminal actions at the "Marine" house and the kidnapping of [entrepreneur] Jorge Lonsdale, Acasigue "is now requesting that he be treated like a political prisoner, and he accuses the police of having obtained his initial testimony under duress and by using violence."

On the other hand, the CJZA warns the authorities that the ELN strategy intends to reinstate guerrilla warfare through the cooperation of Peru's Shining Path and the Tupac Amaru.

The CJZA indicates that it has chosen the Greater University of San Xavier in Sucre because of its position in the country's geographic center, involving its geopolitical projection in the Southern Cone, and its proximity to the Potosi mining districts, where the CJZA can secure the support of militants for their subsequent guerrilla activities.

Peasant Confederation Views Coca Eradication

PY3101171991 La Paz EL DIARIO in Spanish 15 Jan 91 p 4

[Text] The coca eradication policy will cause an economic deficit, social problems, and confrontations between peasants and the government.

This comment was made by Segundino Montevilla, leader of the General Trade Union Confederation of Peasant Workers of Bolivia, CSUTGB. He added that even Samuel Doria Medina, the government economic adviser, has recognized this possibility.

Montevilla added that it is absolutely false that the government is implementing an overall development plan, known as the alternative development plan, and that this can be proven at all levels.

He added: "For example, the peasants in the Yungas region of La Paz who received loans as a part of the Agro-Yungas projects have failed to establish coffee plantations for lack of technical support. The government merely engages in propaganda about some unimportant small projects."

He said: This is why the CSUTGB, on 18 January when it holds its national assembly, will propose a policy of mobilization in defense of natural resources such as coca, forests, and the minerals in the northern part of the country.

Montevilla said: "We believe that if our country is to subsist, develop, and progress despite international problems it must stimulate coca production."

Asked about the projects that are part of the Overall Development Program and that are being carried out by the government through the Undersecretariat for Alternative Development, Montevilla said that the projects are merely for propaganda purposes and do not represent development.

He added: The way to solve problems is not by dedicating a small farm or donating a small electric motor. Decree 22270 should be implemented under which all projects must be evaluated through the National Council for Alternative Development, Conadal, which has some peasants leaders among its members.

Montevilla also denounced the presence of U.S. military members, mainly in Chapare, and the participation of some military battalions of the Bolivian Armed Forces. He added: "This agreement must be fulfilled by the government because it is established in Annex 3."

He concluded by saying: This is why we believe that our sons should avoid military service because it will merely serve to cause confrontations between our sons with their parents.

Minister on Eradication Targets

PY3101180991 La Paz EL DIARIO in Spanish 17 Jan 91 p 5

[Excerpts] Like the previous administration, the current government is trying to surpass the target of 6,000 hectares of reduction and eradication of coca plantations that is established in Law 1008. The government is still obliged to compensate for the areas that were not cleared in 1989, when only 2,300 hectares of coca plantations were eradicated.

Mauro Bertero, minister of agriculture, livestock and campesino affairs, has reported that the law states that 6,000 hectares of coca plantations had to be eradicated in 1990. He added that the alternative development undersecretariat eradicated approximately 7,500 hectares in 1990. [passage omitted]

Asked about achievements in the area of alternative development, Minister Bertero praised the work by the Undersecretariat of Alternative Development. He said that the undersecretariat has achieved progress and comprehensive development in peasant homes throughout the coca-producing regions, especially Chapare and Yungas where several facilities have been built that are important from a social viewpoint. They include hospitals, schools, bridges, and dirt roads. Electrical equipment has been supplied and training courses for farm production have been sponsored.

Interior Minister on Antidrug Efforts in Chapare

PY3101161091 La Paz La Red Panamericana in Spanish 0000 GMT 30 Nov 91

[Text] Interior Minister Guillermo Capobianco has said that it is not certain that drug traffickers have abandoned the Chapare region, although wherever the Special Antinarcotics Force [FELCN] exerts pressure, the criminals try to abandon the zone.

The only certainty is that the campaign against drug trafficking is intense and that, logically, anyone who violates the law must be careful, Capobianco said. The minister noted: The issue is that the fight against drug trafficking is intense and permanent. The FELCN is concentrating on eradicating this criminal activity not only in the Chapare region but throughtout the national territory, the minister added.

The minister stated that the FELCN is subject to periodical restructuring for a specific reason. We think it is important for the personnel to be continuously renewed to prevent the power of money from corrupting the morale of our people, he said. Capobianco therefore confirmed that nearly all the FELCN chiefs will be reshuffled in the next few days and that he is just waiting for General Anez to return to the FELCN command to carry out the restructuring.

Brazil

President's Administrative Reform Plans Previewed

PY3101140491 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 30 Jan 91 p 1

[Text] President Fernando Collor is preparing an administrative reform that will change the structure of ministries and secretariats. Modifications will be announced between 21 February and 1 March. A study by Administration Secretary Joao Santana calls for the preservation of the 12 ministries and the creation of secretariats. According to data obtained by O ESTADO DE SAO PAULO, the Infrastructure Ministry will be divided into the Energy and Mines Ministry and the Transportation and Communications Ministry. The universities will be administered by the Science and Technology Secretariat, and the Social Action Ministry will become a secretariat. Social Action Minister Margarida Procopio will lose control of the housing sector budget, which will be administered by the Federal Savings Bank (CEF). The reform will also place the funds for sanitation projects in the hands of the Health Ministry. By reducing the range of action and the funds under these ministries, the infrastructure and social action ministers will become less influential. The Armed Forces General Staff (EMFA) will lose its ministry status and the National Indian Foundation (FUNAI) will be made a secretariat. Collor is also studying the idea of replacing the board members of state-owned companies. One of Economy Minister Zelia Cardoso de Mello's advisers will be dismissed on Collor's orders, while Bank of Brazil Chairman Alberto Policarpo, whom Collor wanted to dismissed, will retain his position thanks to Minister Cardoso's defense of his performance.

Economy Minister Announces New Measures

PY0102012191 Rio de Janeiro Rede Globo Television in Portuguese 2133 GMT 31 Jan 91

[Statement by Economy Minister Zelia Cardoso de Mello from the Finance Ministry conference hall in Brasilia—live; monitored in progress]

[Text] ...We introduced a long time. We want a modern economy with economic growth because economic growth alone can really help solve the serious social and regional problems that we have in the Brazilian economy.

This is why we have carried out a deep administrative reform, to attain a state suitable for the development that we intend to carry out in Brazilian economy. This is why we are adopting these important measures that include the opening of the economy and the implementation of an industrial policy that will favor technological

modernization and greater competitiveness. This is why we have implemented a deep program of deregulation and debureaucratization, this is why we implemented a large and serious privatization program, and this is why we implemented a program of public property management reform. This set of programs would not be complete if we continued with an indexed economy and if we continued without medium and long term financial mechanisms, not just for industrial growth or the private sector but also for social projects.

Therefore, we are announcing the end of the overnight market, as I have mentioned, and the creation of funds which will be administered by private banks. From the investor's point of view, there are no substantial changes since he may buy shares from any fund from which he can obtain immediate payment, that is, instant liquidity. From the point of view of the economy there is an essential difference: this fund will be made up of public federal titles—for federal government financing—and public state titles in states authorized by the Economy Ministry. This ministry will authorize such titles in states which implement the necessary and desired economic adjustment in keeping with the austerity program that was implemented at the beginning of the Collor administration.

This fund will also include industrial development titles for those projects considered a priority within the PCI, that is, the Industrial Competitiveness Program, within the industrial policy that is being prepared by the government. This also applies to social projects.

It must be said that this financing will be available only for the private sector. The private banks will administer the financing of industrial development and social programs which are meant for the private sector.

We are thus eliminating the indexation of the economy by putting an end to the BTN [National Treasury Bond], the BTNF [Fiscal National Treasury Bond], and we are creating an interest reference rate in the economy, that is, we have finished with all forms of indexation of the economy linked to the Consumers Price Index, past inflation, and this interest reference rate will be determined by the financial market. This interest reference index will serve to calculate financial applications and it will from now on govern all financial applications.

Simultaneously, given the importance of the reforms that we are introducing, we obviously need a more guaranteed stabilization process for the economy, which we have always tried to attain and which has yielded clear results. We cannot compare the current economic atmosphere with that of a year ago. Despite this, however, the current rhythm of price increases is not that desired by Brazilian society, by housewives, and by people whose lives are sometimes hindered by an excessive price increase.

These reforms therefore come together with a truce [freezing] of prices and salaries as of today. Evidently this price and salary truce will be temporary, and it will be maintained for the period of time the economy may need to adjust to the these important economic reforms so that they may effectively fit into the economic model we want; that is, a healthy economy with economic growth. Therefore, these reforms, together with the capital market changes, the tariff reform, the industrial policy, the real estate fund [fundo imobiliario]—which we are also presenting today and which will be an important factor for creating jobs at such a special moment for Brazilian economy—constitute this set of measures we are presenting to you.

We will hand out a list of the basic measures we are presenting, and we will remain at your disposal. The Social Communications Department will divide you into groups so that we may effectively explain these measures in detail.

Besides these measures, we are also adopting some other measures necessary to boost President Collor's government program and to end tax evasion and some privileges that still exist in the Brazilian public sector. In addition to these reforms to correct some distortions in the Brazilian economy, such as the indexation of the economy and the absence of a financing system, we are also presenting other measures to correct large distortions such as tax evasion and privileges in the federal public sector.

These were the measures. In a few minutes we will be at your disposal to explain these issues. Thank you.

I would like to add that tomorrow will be a bank holiday to allow the financial market and society to comprehend all the measures that are being implemented. I would like to note that from the investor's point of view there are no essential differences in the changes we are introducing in the financial system. The difference is the creation of a credit system. Another important issue that must be noted is that evidently, and with increasing importance, monetary and fiscal policies will continue to be the basic pillars of our economic program. There are no changes in the monetary policy. As for the fiscal policy—as you may know since it has already been partially made public—we are adopting some measures to boost the fiscal adjustment in the area of the national budget and the administration of public companies. You may therefore consider you already know the monetary and fiscal policies, which I had not even mentioned because we consider them as known. Thank you.

Further on Economic Changes

PY3101230491 Rio de Janeiro Rede Globo Television in Portuguese 2200 GMT 31 Jan 91

[Text] Economy Minister Zelia Cardoso de Mello has just announced in Brasilia new measures to fight inflation. The deindexation of the economy is included in those measures. There will be no more overnight transactions, BTN [National Treasury Bonds], or Fiscal BTN [Fiscal National Treasury Bond]. The minister announced that there would be a truce on prices and

salaries and said that the new minimum wage would be 15,849 cruzeiros. Tomorrow will be a banking holiday and fuel prices are being hiked by 46 percent.

Embraer Postpones Manufacture of Vector Plane

PY3101225991 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 29 Jan 91 Economy Section p 11

[Francisco Pereira report]

[Excerpts] The Brazilian Aeronautics Company (Embraer) has decided to postpone, for an undetermined period of time, beginning mass production of the CBA-123 plane. The CBA-123 is a pressurized, 19-passenger turboprop plane. It is a joint project with Argentina, and the plane was named Vector. Last year the project was postponed for a year in view of the company's economic crisis. Embraer intended to begin manufaturing the Vector plane in 1992, but a change in the market for this type of plane made the company alter its plans. Embraer will now invest in the project for the EMD-145, a 45-passenger commercial jet. [passage omitted]

Development of the EMD-145 is now a priority. Last year Embraer suspended this project, but it decided to resume it now. This project calls for the investment of $300 million, and Embraer is studying the possibility establishing partnerships with parts suppliers, who would invest without guaranteed returns and who would recoup their investments only when the planes were sold.

The EMD-145 will have several competitors, but the model in the most advanced stage of development is the Regional Jet (RJ) from the Canadian company Bombardier-Canadier. The RJ will seat 50 passangers and will make its maiden flight this year. [passage omitted]

Chile

Proposed Amendment To Extend Presidential Term

PY3101185191 Santiago Television Nacional de Chile Network in Spanish 1700 GMT 31 Jan 91

[Text] The minister secretary general of government today said that in May this year the president of the nation could make public a constitutional amendment that would allow him to extend his term in office.

Minister Enrique Correa made this and other remarks following a cabinet meeting.

[Begin recording] [Unidentified reporter] Minister, political circles are toying with the idea of a constitutional reform that would extend President Aylwin's term in office. What is the administration's position on this subject?

[Correa] During the last part of today's cabinet meeting we briefly discussed—without really going into the essence of the issue—the subject of what we may call political reforms strategy for 1991. The president wants the administration to take its time, probably up until 21 May, to submit to Congress the set of constitutional amendments that the administration intends to push through Congress during this legislative period. The issue that you have just raised may be included in the long-term package of constitutional amendments that the government will submit. [end recording]

The minister also reported that the Lo Curro residence [built by former president Augusto Pinochet] has been legally transferred to the Public Lands Ministry. He was asked whether it is true that the building had been lent to the Army for one year while a new military club is built.

[Begin Correa recording] The president and the national executive branch have the full power to, without resorting to any special procedure, decide on the use to which this building should be put. One solution that had been under study was to lease this building to the Army until it is able to build a suitable club. [end recording]

Correa also announced that the administration will shortly make public its decisions concerning the Colonia Dignidad. He added that these decisions will be entirely legal and aimed at reestablishing the sovereignty of the Chilean state over the colony.

Correa concluded by saying that President Aylwin will probably disclose the findings of the Rettig Commission [the truth and reconciliation commission] and the measures that the administration will take on this issue during the first week of March.

UCC Deems Idea 'Selfish'

PY3101202091 Santiago EL MERCURIO in Spanish 22 Jan 91 p C 3

[Text] The political committee of the Center-Center Union [UCC] has reported that an alleged agreement between government and opposition parties seeks to promote a constitutional amendment to extend President Patricio Aylwin's presidential term.

The UCC said that this move is being taken because "there are no political personalities who have broad support for future elections either in the government or in the opposition political circles." The UCC charged the government and opposition with "distorting the nature of the transition government, changing it from that which the Chilean people elected."

The UCC also made a statement regarding the rejection of the municipal reform draft bill which the executive branch has sent to Congress. The UCC states: "The political parties represented in Congress want to distort the essence of the democratic system by avoiding a public debate on the subjects that affect the essence of democratic life."

At the same time, the UCC charged the government and opposition with "basing their agreements on selfish election speculations so that they can structure a municipal election system that will not allow the participation of the citizenry."

Government To Hold Line on Oil Products Prices

PY0102113891 Santiago Radio Nacional de Chile Network in Spanish 2200 GMT 31 Jan 91

[Veronica Susana Robio report]

[Excerpt] Mining Minister Juan Hamilton has said that, for the time being, the price of oil by-products will not go up and that the government will prudently wait 20 or 25 days until crude oil price situation stablizes in the international markets. [passage omitted]

* Few Revelations Expected in Rettig Report

91SM0163A Santiago QUE PASA in Spanish 24 Dec 90 pp 18-21

[Text] Its form and content already defined, attorneys Gonzalo Vial and Jose Zalaquett are now involved in writing the final draft of the Truth and Reconciliation Commission Report that will be delivered to President Patricio Aylwin on 9 February. The two-volume Rettig Report will be a thorough analysis of human rights violations starting 11 September 1973 and have the impact of a missile, particularly in the case of the Army.

The report's effect will depend on how the government intends to use it, which in turn will be determined by negotiations with the branch commanded by General Augusto Pinochet. At present, it appears that La Moneda will opt for a moderate approach. Despite its dramatic import, the report will not satisfy the expectations of victims' relatives because it will only include confirmed cases.

However, those interested in satisfying their curiosity about the most highly publicized episodes will not be disappointed and a few surprises are even in store, for example, the role assigned to General Sergio Arellano in executions that occurred in the north following the coup. Nevertheless, to be absolutely accurate, there will not be many of this nature inasmuch as the information gathered does not conflict with that collected under the previous regime by the Vicariate of Solidarity. Commission members show unanimous respect for the work of that Church organization, whose investigations are deemed extraordinarily reliable.

Whatever the case, reading the report is a sobering experience. Nearly 4,000 reports were investigated, of which some 200 were inadmissible. There is a "moral conviction" that of the total, violations occurred in 3,000 cases. That number of deaths is in contrast with the 104 fatalities suffered by the Armed Forces throughout the period.

A result of painstaking work completed by some 25 attorneys and ten social welfare workers throughout the country, the report begins with an objective summary of the situation leading to the institutional breakdown of the country, but avoids any debate as to the responsibility of each sector. The coup is neither supported nor condemned. However, the conclusion that clearly emerges—destroying the Army's claim that a continuous state of war existed throughout the years following the coup—is that by the end of September 1973, the Armed Forces were clearly in control of law enforcement.

It is precisely the end of September that the Commission clearly identifies as the beginning of cases of torture in the country. From that time on, there was a marked increase in the number of persons arrested and executed or arrested and subsequently missing. The Commission emphasizes the frequent falseness of official versions of the circumstances surrounding such deaths. Obviously on its death bed, the press confined itself to reporting the official story.

The first volume contains a series of subdivisions describing cases in minute detail by region and by type of violation, including the deaths of members of the Armed Forces in the fight against terrorism. Another chapter is devoted to the work of DINA [National Intelligence Directorate] and expresses the conviction that it was already active previous to its official creation in 1974. Part of the testimony used to reconstruct the work of DINA was supplied by the organization's former deputy director, Colonel Pedro Espinoza, who appeared in order to provide more background on the so-called Death Caravan or Arellano Case.

Few of Espinoza's former colleagues came before the Commission. Cooperation by military men on active duty was nil. It is a known fact that the Army "recommended" that its officers not appear to make depositions. Pinochet himself set the example by refusing to respond to a list of 20 questions sent to him by the Commission. "The Commission acknowledges receipt of the Army's report, and the general confined his response to a concise memorandum signed by General Jorge Ballerino, chief of the Advisory Committee. Aides to Commission Chairman Raul Rettig even affirm that the Army organized talks for retired members for the purpose of instructing them as to how to respond.

Confronted with revelations made to QUE PASA concerning report contents, it is understandable that the Army would look upon the Commission's activities with distrust. In quantitative terms, it is by far the institution most compromised. Only in the early days of 1973 did actions by members of the Carabineros in rural areas have any parallel with those of members of the Army. The uniformed police not only vied with them in violence, but surpassed all others. The FACH [Chilean Air Force] contributed its quota, particularly torture at the War Academy and the Puerto Montt base. While not free of sin, the Navy comes off the least sullied.

Recalling the action by Carabineros after the coup, the Commission also emphasizes that many civilians were not free of serious faults. In rural areas, former owners of expropriated properties or labor leaders of the truckers union commonly informed on and even collaborated in

the arrest of leftist activists. However, they never participated in the deaths of those arrested. For the Commission, the climate of political polarization and conflicts previous to 1973, such as the agrarian reform, are essential to an understanding of the picture. For example, it explains why, in small rural localities such as Paine, 80 deaths were recorded on 11 September 1973 compared with nearly 200 for the entire capital.

Cases from the year of the coup recorded in the first volume are also subdivided into several chapters. They basically include: missing persons, unusual deaths (setups, for example), the escape law, War Councils, and victims of the Armed Forces. Repression that year is described as massive and indiscriminate. Starting in 1974, it became selective, and first in line were the members of the PS [Socialist Party], the best known for their radicalism previous to the coup. Some 60 percent of the deaths at that time were PS card-carriers, as shown by the skeletons found in Pisagua that year. In 1975-1976, it was the PC's turn to come under fire. Its members initially fell back and even surrendered. The cycle would come full circle with the witchhunt for the MIR [Movement of the Revolutionary Left] between 1976 and 1979.

The first volume also includes a special account of deaths occurring at protests staged between 1983 and 1986. During that period, the Commission speaks of some 150 persons who died. However, it is not made clear whether or not these persons were victims, inasmuch as some did defy law enforcement officials. Another chapter recounts the cases of persons arrested and who disappeared after 1973, deaths resulting from torture, and victims of the Armed Forces.

The second volume, whose purpose is to provide moral vindication for the victims, contains individual files on all victims. President Aylwin's definitions will be followed in carrying out the purposes of Truth and Reconciliation. The truth implies establishing the victim's biography, the causes of his arrest, and his final fate, in addition to narrating the suffering of relatives. Reconciliation consists in having the government assume responsibility for the truth, noting down relatives' complaints and determining what reparations are to be made. Consideration is given to a single pension that would have to be approved by Congress. However, this will not be easy to obtain, inasmuch as members of Congress are offended about having been excluded from the investigation into the truth.

Below each file for the victims, the Commission adds a paragraph citing those responsible for the violation. However, the paragraph will be made public only if Aylwin so decides, although so far it is thought he will keep names confidential. The president claims he will take the report along with him to read on vacation. In purely political terms, what he will have in his hands after 9 February will be pure dynamite.

Although the Commission has taken no stand on institutional responsibilities, a reading of the report exposes the impunity with which many members of the Army acted. Commission members revealed that the names of some officials are repeated with terrifying frequency in cases of grave violations. For example, those of Armando Fernandez Larios, Marcelo Moren Brito, and "Ronco," among many others, occupy large amounts of space underneath the files. The report also leads one to the conclusion that higher-ups in security agencies simply cannot have ignored the actions in which they were involved.

The report also devotes a special place to criticism of the courts of justice's failure to act.

For sectors supporting the military regime, the report will be a rude awakening about the need for a self-critical look at the period. Beyond the historical justification and the country's achievements in many fields after the coup, coming to terms with the human rights issue cannot be put off any longer.

Revived Chapters

Of the 4,000 reports investigated by the Rettig Commission, a handful of famous cases will be revived and provide more than one surprise. Utmost secrecy has been maintained with respect to a number of incidents known to be under full legal investigation, including the murder of labor leader Tucapel Jimenez. Cases whose outcome is known to QUE PASA include the following:

The so-called "Death Caravan": Described in the book "Los Zarpazos del Puma," the case involves the summary execution of 72 persons arrested by General Sergio Arellano's entourage between 16 and 19 October 1973 in La Serena, Copiapo, Antofagasta, and Calama. Anxious to shed light on the situation, Arellano appeared and presented his account. Despite the fact that the Commission determines neither guilt nor innocence, Arellano appeared for the purpose of trying to clear his name. Among the officers mentioned in the book are also (retired) Colonel Sergio Arredondo, Marcelo Moren Brito, and Armando Fernandez Larios. Arellano's testimony was also noteworthy because he remained totally loyal to Pinochet. This was the incident that resulted in the most voluntary appearances by retired military men in Commission offices.

The murder of General Carlos Prats, former commander in chief of the Army, who was killed along with his wife Sofia Cuthbert by a bomb placed in front of his home in Buenos Aires in 1974, left the Commission in no doubt about its origins. According to report conclusions, there is a "moral certainty" that Chilean Government officials were the authors. This same conclusion was reached in the murder of former Foreign Minister Orlando Letelier. In both, the evidence pointing to action by DINA facilitated the investigation. As in the other accounts, no one is labeled as the guilty party, not even Michael Townley, who confessed his involvement in Letelier's murder before American courts.

The death of Jose Toha, former minister of interior and defense, which occurred on 15 March 1974 at the Military Hospital and which was officially listed as a "suicide," was never totally clarified. However, the Commission believes his tragic fate was due to the harsh treatment he received as a prisoner on Dawson Island and his transfer from that southern archipelago to the Military Hospital resulting from inhuman conditions. Consequently, while suicide is not ruled out, if it did indeed occur, the Commission nevertheless believes that the former minister was induced to take his own life. The official version is that Toha hanged himself with his belt in the closet of his room at Military Hospital.

Operation Albania: the massacre of 12 members of the Manuel Rodriguez Patriotic Front, including Jose Valenzuela who was the brains behind the attempted attack on General Pinochet in 1986, on 15 and 16 June 1987. The official version given out by the National Information Center (CNI) is that the terrorists died in a clash with security services. However, the Commission maintains there are grounds for stating that no such clash took place, only murders. Most victims were shot down when security agents raided the house where they had fled and that there were no signs of any clash. The others were gunned down in the street.

La Moneda Desaparecidos: The report does not refer to the figure of former President Salvador Allende as a victim, inasmuch as neither his relatives nor anyone else presented any evidence challenging the story of suicide, of which there is ample proof. The Commission did not investigate the fate of the group of personal guards (GAP [Group of Personal Friends]) arrested after the raid on La Moneda and who later disappeared because no evidence was presented in this connection either.

Colombia

Extraditables Claim To Kidnap, Execute Woman

PA0102022291 Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 1 Feb 91

[Excerpt] Marina Montoya de Perez [daughter of German Montoya, former secretary general of the Presidency] has been assassinated by the Extraditables. Her body turned up in Bogota seven days ago, but her death was confirmed today. Mrs. Montoya had been kidnapped on 19 September 1990 and there was no news about her until yesterday when the Extradibles issued a communique stating that they had ordered her execution. Gloria Congote filed this report:

[Begin recording] [Congote] Hers was a cruel assassination. Mrs. Marina Montoya's body was abandoned at the intersection of 193d Street and 39th Avenue in Northwestern Bogota. Mrs. Montoya was blindfolded. Criminal judge No. 78 identified the body. The autopsy was conducted at 1800 on 24 January. According to official data, six 9-mm bullets were found in her face and skull. [end recording] [passage omitted]

Ecopetrol Gas Facility Attacked With Dynamite

PA0102021391 Bogota Radio Cadena Nacional in Spanish 1200 GMT 31 Jan 91

[Text] A dynamite attack has just occurred at the gas compressor plant of a Colombian Petroleum Enterprise [Ecopetrol] building located in (La Via), Puerto Wilches Municipality, near El Llanito Jurisdiction. The site is 18 km away from Barracabermeja, Santander Department. Preliminary reports indicate that four individuals, who arrived in a taxi, got into the plant and placed the dynamite sticks, destroying the engine room. The losses total in the millions in this new attack on Ecopetrol installations.

A few days ago, FARC [Revolutionary Armed Forces of Colombia] rebels in the Casabe fields blew up a plant and burned drilling equipment belonging to the Ingeser Company. Technicians and personnel were taken to the site to assess the damage and to begin the necessary repairs. The compressor plants receive oil from fields in the zone and send it to the industrial complex.

Oil Companies Report $500 Million Losses in Jan

PA0102025791 Madrid EFE in Spanish 1640 GMT 29 Jan 91

[Text] Bogota, 29 Jan (EFE)—Eight multinational oil companies that operate in Colombia charged today that the guerrilla attacks against their installations have caused $500-million in losses this month and they requested that the government provide guarantees for their continued operations.

The directors of these companies analyzed the current situation triggered by the attacks launched by the National Liberation Army (ELN) and the Revolutionary Armed Forces of Colombia (FARC) against pipelines, equipment, camps, and employees, EL ESPECTADOR, Bogota's morning paper reported today.

After a confidential meeting last week, the company executives claimed that Colombia "is a country with one of the highest political risks in the world," and requested a meeting with Defense Ministry high-ranking officials.

The FARC and ELN attacks, so far this year, have taken a toll on the following multinational companies: Argosy, Texas Petroleum, Occidental Petroleum, Shell, Consorio de Obras de Ingenieria, Hocol, and Campetrol, as well as the state run company Colombian Petroleum Enterprise (Ecopetrol).

All of these companies have been subject to attacks with explosives on their oil wells, pumping stations, engine rooms, and drilling equipment, also, their vehicles have been set on fire.

Also, nine engineers were kidnapped and the companies suspended five joint contracts with Ecopetrol for oil field exploitation by means of shared irrigation system.

An executive who attended the meeting told EL ESPECTADOR, "This is truly an untolerable situation. We are desperate. Nothing seems to work against the rebels."

Ecopetrol President Andres Restrepo said that for now, the 100,000 barrels of oil production has been halted because of the pipelines being blown up and the attacks on the installations.

The mentioned state run company explained that since 1 January it has sustained the following attacks: nine on the Cano Limon-Covenas pipeline (the nation's first), three on the Transandean, two on the Pacific side pipelines, one in the Pozos Colorados on the Caribbean side, and another in Vizcaina-Galan.

The guerrillas also dynamited an oil pipeline station in Cano Limon-Covenas, two Ecopetrol offices in southern Colombia, four drilling towers, three camps, and 36 foreign-owned heavy equipment vehicles.

Also, Ecopetrol's costly oil well computerized control system was ruined and there was a $6-million loss due to three attacks against construction works of another pipeline that would have allowed Colombia's petroleum exports to be increased by 100,000 barrels per day

Ecuador

Official Foresees 'Major Changes' in OPEC

PA0102042091 Hamburg DPA in Spanish 0018 GMT 31 Jan 91

[Text] Quito, 30 Jan (DPA)—Energy and Mines Minister Diego Tamariz has said that Ecuador foresees "major changes and new situations" in OPEC because of the Persian Gulf war, which "will alter the area's geopolitical balance." "This is a new phase of total uncertainty for OPEC," the minister remarked, adding that the 13-member cartel, to which Ecuador has belonged since 1973, "is going through the most difficult phase since it was established."

Iraq, Kuwait, and Saudi Arabia, the countries directly involved in the Gulf conflict, are OPEC's three largest producers, and three other Persian Gulf countries also belong to OPEC. "The war could deeply affect the organization," Tamariz said, announcing that Ecuador will continue observing "for the time being" OPEC's quota of 285,000 barrels a day.

The quota system, which is still partially in force, is basic for the stability of the oil market, something which is also one of OPEC's fundamental objectives. "Nobody knows what the market will be like after the war," the minister indicated.

Street Demonstrations Continue; Policeman Dies

PA0102040691 Hamburg DPA in Spanish 1817 GMT 30 Jan 91

[Text] Quito, 30 Jan (DPA)—One policeman died and three students were wounded today in Ecuador as a result of the third day of angry street demonstration characterized by widespread violence and vandalism as the Sole Workers' Front prepares to join the wave of demonstrations against the economic measures adopted recently by the government.

Several police patrol cars and privately owned vehicles were set on fire by demonstrators who also hurled rocks at business establishments and destroyed public assets in at least five Ecuadoran cities.

Food prices and transportation fares increased heavily yesterday. This has been attributed to speculation by the government. Apparently the increases are a result of measures adopted this past week by the government. The measures included a six-percent currency devaluation and a 15-percent increase in fuel prices.

The most bitter demonstrations took place in Quito where a policeman died after being hit on the head by a rock thrown during riots at the Central University, where the worst incidents have taken place. In that sector, three students were wounded, presumably by shots from the police.

Thousands of students who shouted slogans against the social democratic government of President Rodrigo Borja have been on the streets since Monday and the Sole Workers Front, which comprises three labor unions, has announced that tomorrow it will carry out its first mobilization of workers and ratified its call for a general strike on 6 February.

Today there were violent demonstrations also in Cuenca, Ambato, Quevedo, and Tulcan. The police were able to control the situation in those cities.

In Quito, at least 30 students were arrested and charged with vandalism. The police seized firearms and firebombs. Presidency Secretary Gonzalo Ortiz commented on the riots by saying: "The presence of extremist agitators is notorious."

According to the local media, leftist parties are behind the riots in an effort to seize a leadership role in the opposition to the government in a year that will be politically very active in preparation for the January 1992 elections.

The convoking of the general strike has been characterized by the government as "obviously, a very political" call. The government has predicted that the strike call "will be a new failure, just like previous general strike calls." Government spokesmen have defended the economic measures, describing them as "painful but necessary."

The Ecuadoran Congress, which is controlled by the opposition, has summoned Energy Minister Diego Tamariz to face charges on 13 February for being the person most responsible for the fuel price increase, "an antipopular measure that is spreading hunger throughout the country," according to the minister's main accuser, Socialist Party Deputy Raul Patino.

Paraguay

Rodriguez Discusses Call From Bush With Press

PY0102014091 Asuncion RPC Television Network in Spanish 2330 GMT 31 Jan 91

[Text] For the first time President Andres Rodriguez today commented on the Persian Gulf issue and our country when he briefed the press on a telephone conversation he had with his U.S. counterpart, George Bush.

[Begin Rodriguez recording] I received a telephone call from Washington. It was President Bush who took the initiative, shall we say, to call me on the phone. When I picked up the phone, President Bush himself was on the other end of the line. I wanted to convey to him a very cordial and special greeting at this extremely significant time for his country and for himself, given his responsibilities as head of the American people. Second, I also conveyed to him my congratulations for the firm, objective speech he delivered on Tuesday, 29 January, and I told him that I watched him on CNN. So, this was the reason [as heard]; and finally, at that point, he—shall we say— interrupted me and told me that he was very grateful for my very cordial greeting and that he was very happy to confer once again with me, the president of Paraguay, because it was not long ago, in June last year, that we had the chance to hold talks. He told me that this is a truly moving time because of the situation in the Persian Gulf, but he asked me to rest assured that the American people, the U.S. Government and its allies, are undertaking the defense of a noble and just cause. Then, he also asked me to convey his special greetings to the Paraguayan people. At that point, I told him again that I was also conveying my very cordial, special greetings to him and to his people, and our government's solidarity with the cause he is defending with so much calm and with a very courageous, prudent attitude. [end recording]

[Asuncion Cerro Cora Sistema Nacional de Television Network in Spanish at 2245 GMT on 31 January, in a similar report, carries a three-minute recording of the Paraguayan president's briefing during which Rodriguez adds the following remarks:

"Of course, I also asked him to convey our special greetings to his people, to him, and to his people, especially to our dear good friend Dorothy, who is very familiar with our country because she was here with us and because we saw her again during our visit in June last year. He told me he was sorry she did not know we were going to talk on the phone at this time; otherwise, she would have been very happy to be here to hear your voice and to receive your greetings, [Bush said,] because she just left for the hospital where she works.

"This is the information I wanted to convey to you, and I am very satisfied to have heard the voice of the President of the United States of America, who appeared to be very calm despite the great concern he must surely have over the situation that eraupted in the Persian Gulf, as you may assume.

"He also joked with me. He said to me: If you saw me on CNN, beware that CNN is often not only at our service. It also seems to be serving Saddam Husayn. He told me that in that respect we might be getting some true and some false reports. He said this jokingly. This is all I can tell you."]

Commander: Armed Forces Not Committed to Parties

PY3101191491 Asuncion NOTICIAS in Spanish 31 Jan 91 p 9

[Text] During a military ceremony yesterday at the 3d Cavalry Regiment in Cerrito (Chaco), Brigade General Lino Cesar Oviedo Silva, commander of the cavalry division, said that the Armed Forces support the freedom of the Paraguayan people to express their ideas and feelings. He reiterated that the Armed Forces are a national institution and that they are not committed to any political organization.

After dedicating several facilities at the headquarters of the "Colonel Felipe Toledo" 2d Armored Cavalry Regiment, Gen. Oviedo summarized the position of the Armed Forces on another anniversary of the military coup of 2 and 3 February 1989.

He explained that the movement that ousted Stroessner almost two years ago led to an opening and to the removal of the gag from the Paraguayan people.

He said that the current situation is right for the people, adding that the Armed Forces support the new order that prevails in the country especially because it allows all Paraguayans to "freely express their feelings, their good intentions, and their constructive criticism. Only in this way will consensus, brotherhood, and unity prevail for the good of our people."

Asked about some opposition sectors who claim that practically nothing has changed and that everything remains unchanged in the political, economic, and social sectors, Gen. Oviedo answered that there will always be political speculation even in countries like the United States, Germany, France, Great Britain, and in other democratic nations.

"Political speculation has positive and negative results," he said, adding that there has always been opposition and the day there is no more opposition and no more problems will probably mark the end of time.

Replying to observations that the Armed Forces have been observed to be more strongly committed to the

proclamation of February 1989 than any of the political sectors, Oviedo replied: "If we look at our hands we will realize that not all fingers our are the same. Human beings are not all the same either. There are always different criteria."

He said that the military loves the national being and that this probably strengthens their respect for our flag, for the law, and for the Constitution. "This probably helps us to fulfill our commitments," he said.

"I do not mean politicians do not behave like this. I reiterate that in the very difficult field of politics there is, in general, speculation because politicians have other objectives: the race for posts and positions in the country. Our mission, however, is to serve the nation without any personal interest," he said.

He said that the Armed Forces belong to the nation and are not at the service of any specific political organization. "This may be the reason why the Armed Forces and the politicians behave differently," he concluded

Estigarribia Confident on Lifting of Sanctions

PY3001182291 Asuncion Cerro Cora Sistema Nacional de Television Network in Spanish 1520 GMT 30 Jan 91

[Text] [Justice and Labor] Minister Hugo Estigarribia Elizeche has discussed the lifting of the North American economic sanctions against our country within the framework of the Generalized System of Preferences [GSP].

[Begin Estigarribia recording] Baez Mosqueira possibly has the same information that we have. So far this information is unofficial but it well-founded because there is no longer any valid reason to maintain the sanctions on Paraguay.

Yes, Paraguay—its former government—was sanctioned because it violated trade union rights and restricted labor matters.

These grounds have completely disappeared as we have demonstrated that there is complete trade union freedom, that the recognized trade union organizations thrive freely, and that we have made our best efforts to improve labor legislation.

Thus, this clearly indicates that sanctions will be lifted at any moment. [end recording]

Foreign Minister Returns From Venezuela

PY3101142491 Asuncion PATRIA in Spanish 31 Jan 91 p 7

[Excerpt] Foreign Minister Alexis Frutos Vaesken returned at 1145 yesterday from Venezuela, where he attended a ministerial meeting of the members of the Rio Group, which is made up of Mexico and the 10 South American nations. The minister arrived on a regular Varig [Rio Grande do Sul Air Transportation System] flight. [passage omitted]

Peru

Attack on U.S. Embassy Causes 'Minor Damage'

PY0102022291 Lima RTP Television Network in Spanish 0200 GMT 1 Feb 91

[Excerpts] The U.S. Embassy was attacked again a few minutes ago by terrorists who threw explosives from a passing van, causing minor damage to the diplomatic building.

At approximately 2000 [0100 GMT], subversive individuals again attacked the U.S. Embassy, which is located on the fourth block of Garcilaso de la Vega Avenue. [passage omitted]

General Jose Vinatea, chief of the 7th Subregion of the National Police, has just arrived. Personnel of the Bomb Squad and of the regular police have come to the embassy to investigate this newest terrorist attack.

It has not yet been possible to determine whether the attack was launched with a mortar or with a rocket from a passing vehicle.

No Injuries Reported

PY0102110491 Madrid EFE in English 0820 GMT 1 Feb 91

[Text] Lima, Feb 1 (EFE)—Suspected leftist Peruvian guerrillas fired rockets at the U.S. embassy in Lima, causing damage but no injuries in an attack apparently linked to the Gulf war, police said Friday. They said three rockets were apparently launched from a roadway some 100 meters from the complex late Thursday and struck a covered parking lot inside the embassy grounds.

The leftist "Tupac Amaru Revolutionary Movement", one of the two major rebel groups operating in Peru, claimed responsibility for a similar attack last week in which rockets hit the roof of the embassy building and caused minor damage.

Also Friday, police said they seized a car filled with weapons and explosives outside a cinema in the Peruvian capital, and a group of Maoist "Shining Path" rebels ambushed and murdered a business executive on his way to work the previous day. The same group was blamed for a raid Thursday on a village in the Andean department of Huancavelica in which four peasants were killed and 20 homes were set ablaze.

Stricter Controls on Peasant Patrols Advocated

PY3101224991 Lima EXPRESO in Spanish 23 Jan 91 p 4

[Text] In a long conversation with EXPRESO, "Commander Huayhuaco," the famous Apurimac River

peasant patrol leader, said yesterday that the Armed Forces should strictly control the peasant patrols because at some Andean communities subversives are promoting the creation of the patrols to convince the Army that they are pro-government groups. "They pass themselves off as patrol members to keep security forces happy," he said.

He explained that the only way to control the peasant patrols and to efficiently work with them is to create a "special body" made up of selected military men, who would wear civilian clothes, and selected patrol members who live in the area. This body should not have fixed military bases and should progressively move forward, organizing each town and providing for its security, identifying subversives and isolating them from the towns, and permanently pursuing terrorists.

Huayhuaco said that to this end, towns must be infiltrated one month before the arrival of the special body. Infiltration, however, should not be done by foreign-looking people but by the peasants themselves. "The intelligence service must be done by organized peasants," he said. This system allows for the identification of Shining Path members, so that when the special body arrives they will be all known. In this way innocent people will be neither pursued nor captured, and a satisfactory relationship can be established with the community.

Concerning the reiterated charges of involvement in abuses and robbery, or links with drug trafficking, Huayhuaco asked Congress to name a commission to go to the Apurimac River valley to investigate.

He asked the goverment to supply him with free ammunition, "because prices are very high, they are in dollars, and they are beyond peasants' reach."

Uruguay

Communist Party Issues Statement on Gulf War

PY3101174491 Montevideo LA HORA POPULAR in Spanish 30 Jan 91 p 6

[Statement issued by the Uruguayan Communist Party in Montevideo on 22 January]

[Text] The Central Committee of the Uruguayan Communist Party (PCU), which has convened to consider the serious situation resulting from the outbreak of the war in the Persian Gulf at the international level, deems it necessary to support the demand of democratic, political, social, religious, pacifist, ecological, and other forces for an immediate cease-fire and a peace conference that includes the entire Near and Middle East, so a fair solution to the region's serious problems can be found.

Our party has already made a pronouncement condemning the Iraqi invasion of Kuwait. Despite Iraq's recent claims to that territory, it is inadmissible for any country to assert its objectives or claims using its greater military power to invade another country.

We have not forgotten that the dictatorship of Saddam Husayn has massacred thousands of Kurds and that it persecutes and kills Iraqi Communists.

Nevertheless, we are not justifying in any way whatsoever the fact that the UN has abandoned the path of negotiation to allow the concentration of a multinational military force, led by the United States, to threaten to bring an hecatomb to the entire world.

It is unacceptable for the highest-level world organization to be changing its role as a guarantor of peace into an actor in war. It is impossible for rights to be measured with different yardsticks. It took 45 years to get compliance with the resolution to support the independence of Namibia. Years have passed waiting for Israel to comply with Resolution 242, which demands that it withdraw from occupied Palestine territory, and no sanctions have been applied. The UN seems to have not noticed the U.S. military invasions of Grenada and Panama.

How can this hurry to support a military response be interpreted? Why were the various proposals to avert war—such as those made by Pope John Paul II, France, Cuba, and Yemen—dismissed?

Nobody can believe—even less so the Latin American people—that the United States has persuaded many nations to commit themselves to belligerent actions only for the sake of international law and Kuwait's sovereignty. Historically, the United States has intervened in Latin America and the rest of the world as well. The double-talk becomes obvious when one recalls recent interventions in Vietnam, Cuba, and Nicaragua, as well as Grenada and Panama, which were overrun by U.S. cannons. The latter is still occupied. The U.S. technology used by U.S. media is transforming the war into a spectacle, covering up the blood that the civilian population has already spilled and the millions of dollars taken from our people and wasted.

For all those reasons, we do not understand or share concern hastily expressed by Luis Alberto Lacalle—a concern foreign to the tradition of his own party and all of Uruguay—in support of Bush and his decision to initiate belligerent actions with unpredictable consequences.

The history of Uruguay stands as proof that its people have never opted for war. On behalf of the Uruguayan people, we demand an immediate end to hostilities. Acting as the voice of the people, we ask the government, Congress, and all social, religious, and political sectors to make clear statements and take the necessary actions to stop the war and ensure peace in the Middle East and the world.

PCU Central Committee
Montevideo, 22 January 1991

Foreign Debt Rescheduling Concluded With Banks

PY3101211891 Madrid EFE in Spanish 1725 GMT 31 Jan 91

[Text] Montevideo, 31 Jan (EFE)—The Uruguayan Government and the international creditor banks today in Montevideo signed agreements to reschedule and reduce part of the Uruguayan foreign debt, which is estimated at $6.4 billion.

Official spokesmen have announced that the agreements were reached in October 1990 after eight months of bargaining, that they will reduce the Uruguayan public sector's debt by $633 million, and that $40 million in annual interest payments will be saved.

The Uruguayan public sector foreign debt totals $1.61 billion.

The documents were signed for Uruguay by Economy and Finance Minister Enrique Braga and Central Bank President Ramon Diaz; by William Rhodes, the Citibank chairman and the chairman of the creditor banks committee for the 71 creditor banks; and by Carlos Santiestevan, for the Inter-American Development Bank (IDB).

Uruguayan President Luis Alberto Lacalle attended the signing ceremony, said: "We have reached the only solution possible on this matter."

According to the president, we Uruguayans "have crossed the threshold of hard times and now it is up to us, the authorities, to create opportunities for a good future for enterprises, industry, trade union organizations, and students."

Minister Braga pointed out that the agreements with the international creditor banks "should encourage foreign investments and promote domestic growth."

Rhodes indicated that the signing of the agreement "puts an end to days of hard bargaining" and that in the future Uruguay "will be able to open up its economy through privatization."

According to the representative of the international banks, privatization represents "one of the most efficient ways for a country to implement structural economic adjustments."

The creditor banks accepted three different proposals presented by the Uruguayan Government to reschedule part of its debt.

Under one of these proposals, Uruguay would repurchase 40 percent of its public debt by paying $56 for every $100, thus saving a total of $278 million.

Uruguay will finance the repurchase of this part of the debt with loans secured from the International Monetary Fund (IMF), the World Bank (WB), and the IDB.

The sources added that the second proposal foresees replacing 33-percent of the debt with a new debt, involving a 30-year repayment term, a lower, fixed, interest rate, and a saving of one quarter of the payment on interest rates.

According to the third option, the remaining 27 percent of the debt will be refinanced with a 16-year repayment term and a seven-year grace period, without repaying any capital during that period. The banks that accepted this proposal will grant new loans to Uruguay worth $90 million that must be repaid within 15 years and include a seven-year grace period.

With a $6.4-billion foreign debt and three million inhabitants, Uruguay is one of the most indebted countries "per capita" in Latin America.

Venezuela

* Polls Reveal Business Outlook for 1991

* IESA Poll Results

91SM0153A Caracas EL DIARIO DE CARACAS in Spanish 24 Dec 90 p 15

[Excerpts] The specter of inflation will continue to threaten the future of Venezuela, the "gurus" of the national economy who are not linked with the government predict.

A survey taken by the Institute of Higher Education for Administration (IESA) shows that the overwhelming level of 32.3 percent will be reached in 1991, yet again.

This projection contradicts that of the government technocrats, led by the minister and head of the CORDIPLAN [Office of Coordination and Planning], Miguel Rodriguez, and the president of the Central Bank of Venezuela, Pedro Tinoco, who continue to be optimistic and predict that inflationary pressure will not exceed 15 percent. [passage omitted]

Results of the Survey

Inflation	32.2 5
Price of the dollar	62.2(bolivares/$)
Interest rates	31.4 5
Increase in GNP	3.7 5
Barrel price	22.7($/barrel)

Source: The first box of text reflects business perspectives on various economic indicators. The figures are not meant to add up.

Employees Within Organization

Statement	Percent
Will decline	12.2
Will remain the same	32.5
Will increase slightly	46.2
Will increase greatly	9.1
Don't know	0.0

Organizations' Sales (Income)	
Statement	Percent
Will decline	4.7
Will remain the same	12.5
Will increase slightly	54.2
Will increase greatly	27.6
Don't know	1.0

Factors Hindering Organization	
Factors	Percent
Greater commercial openness	8.9
Cost inflation	25.1
Labor legislation	20.4
Decline in demand	17.3
Shortage of skilled manpower	17.3
Interest rates	11.0

Factors Benefiting Organization	
Factors	Percent
Greater commercial openness	13.0
Increase in demand	49.5
Price liberation	6.5
Foreign investments	15.8
International situation	6.5
Interest rates	8.7

Organization Sector	
Sectors	Percent
Manufacturing	35.2
Finance (banking and insurance)	17.4
Services (nonfinancial)	27.5
Government	5.1
Other	14.8

* Consecomercio Poll Results

91SM0153B Caracas EL UNIVERSAL in Spanish 19 Dec 90 p 3, Sec 2

[Text] According to a financial survey taken by Consecomercio [National Council of Commerce and Services] to determine where Venezuelans are investing, 48.34 percent prefer at this time to invest more than 50 percent of their surplus liquidity within the country, while 30.46 percent are inclined to invest the same percentage of their funds abroad.

Only 18.54 percent of those surveyed prefer to invest everything within the country, and 2.64 percent prefer to invest everything abroad, this sampling also showed.

Also, 94 percent of the businessmen have invested monetary surpluses within the country in the past 90 days, and of these, 35.03 percent did so in certificates of time deposit; 24.8 percent used liquid asset or savings accounts; 21 percent invested in stock market shares; 10.19 percent invested in BCV [Central Bank of Venezuela] bonds; and only 1.27 percent invested in other domestic securities.

This financial survey which Consecomercio carried out also revealed that 62 percent of Venezuelan businessmen have invested monetary surpluses abroad in the past 90 days, and of these, 32.85 percent invested in certificates of deposit; 30 percent in bank accounts; and 14.3 percent in currencies other than dollars.

Of the businessmen, 30.26 percent believe that the best sector within the country for nonfinancial investment is the trade sector; 20.4 percent said tourism; 15.8 percent manufacturing; 13.8 percent the service sector; and 6.6 percent mining, while 4.4 percent preferred agriculture.

As to inflationary expectations for this year, 45.6 percent of those questioned expect it to range between 35 and 40 percent; 33.55 percent expect it to range between 25 and 35 percent; and 16.77 percent expect inflation of between 40 and 45 percent.

Meanwhile, concerning the expectations for annual inflation in 1991, 39.6 percent of those surveyed placed it between 25 and 35 percent; 26.2 percent said between 35 and 40 percent; 14.09 percent between 40 and 45 percent; and 13.42 percent tend to believe inflation will be less than 25 percent.

The interest rates which will be current as of 31 December of this year were estimated by 57 percent of those surveyed at between 25 and 35 percent; 19.5 percent said between 20 and 55 percent; and 19.5 percent expect more than 35 percent.

Concerning the exchange rate as of 31 December of this year, 66.2 percent of the businessmen expect it to be between 50 and 52 percent; 23 percent said between 53 and 55 percent; and 6 percent expect it to be less than 50 bolivares.

Guyana

Canada Provides Grant To Purchase Petroleum

FL3101210091 Bridgetown CANA in English 2005 GMT 31 Jan 91

[Text] Georgetown, Guyana, Jan 31, CANA—The Canadian Government on Wednesday [30 January] gave Guyana a conditional grant of Cdn 5 million dollars to purchase petroleum products for the local electricity corporation and other hard-hit industries.

Canada's high commissioner to Guyana, John Zawisza, said that the money should be able to provide between three to six shipments of fuel, if oil prices do not exceed

25 dollars (U.S.) per barrel dollars. The first shipment is scheduled to arrive by mid-February and all others before the end of March.

Guyana's Finance Minister Carl Greenidge could not say where the oil will be purchased from, but said that it will be bought through a tendering process. The oil-producing country with the lowest prices will become the supplier, Greenidge said.

This is the second time in three years that Canada has come to Guyana's rescue to secure badly-needed oil supplies in the face of declining exports, falling foreign exchange revenues, and escalating oil prices. Canada has already given Guyana Cdn 8 million dollars over a 3-year period to finance fuel shipments bringing its petroleum aid to Cdn 13 million dollars.

"This further Canadian commitment to Guyana's Economic Recovery Program (ERP) is contingent on Guyana's adherence to and implementation of policy reform measures agreed upon with the multilateral financial institutions," a joint Guyana/Canadian Government statement said.

High Commissioner Zawisza said that Canadian aid is not tied to electoral reform. The aid, he said, is for the Guyanese people.

"It is up to Guyana to run the elections the way they see fit," Zawisa said. It is not the government who needs the petroleum, but the people and the industries."

Recent reports from Washington indicated that future United States aid to Guyana may well be tied to the holding of free and fair elections here, given the persistent allegations of electoral fraud—allegations denied by the government. General elections are due here this year.

Greenidge, in brief remarks after the signing, said that Canada plays a "pivotal" role in the ERP. The signing is a reflection of Canada's helpfulness and a willingness on the Canadian Government's part to fashion a programme according to the needs of Guyana's problems.